

To the members of the Compliance Audit Committee

I am the original applicant and I want to thank you again for your time and attention.

As the auditor's report summarizes, Faith Bazos/Goldy is apparently in gross violation of the Municipal Elections Act. I am writing you today to ask that this committee takes the next logical step and proceeds with a prosecution against Ms. Goldy.

The auditor's report completed by William Molson states: "In my opinion, candidate Faith Goldy contravened the requirements of the Municipal Elections Act, 1996 because the prescribed Financial Statement ... filed by Goldy was not prepared in compliance with the act and did not reflect her election campaign finances."

He adds that Goldy "incurred and did not report \$86,398.49 in campaign period expenses," and "accepted and did not report" over \$56,000 in contributions from Ontario residents prior to December 31, 2018, as well as over \$12,000 more after December 31, 2018.

During the campaign, Goldy apparently accepted and did not report or account for \$71,577.94 in contributions, "including contributions from ineligible contributors," as well as accepting \$29,540.06 in 2019, well after the expiration of her campaign period.

"The Candidate apparently also exceeded the \$25,000 limit on contributions that she was entitled to make to her own campaign for the office of Mayor, by \$56,388.63."

Bell Media chose not to run ads from Faith Goldy during the 2018 election. She took Bell to court over the decision, lost, and was also ordered to pay Bell Media's legal expenses. Her legal expenses in the matter (totalling over \$83,000) were apparently under-reported in the documents provided by Goldy, who pegged the amount at \$25,000.

This created two issues. The first was that the Goldy campaign made a decision to spend money it did not have, and would not be able to raise, on a campaign expense. The second is that Goldy solicited not only out of province donations but also international donations in direct contravention of the Municipal Election Act.

While fundraising for this legal action, she put out a call to "defenders of democracy worldwide," and she noted that the "money is going to my account, not my campaign's."

Goldy now claims that the lawsuit was not a campaign expense. However, according to the report, in her own videos at the time, she called the case "Goldy **Campaign** v Bell Media." (emphasis mine).

It is a further indication that this was a campaign expense and not a personal one that Goldy did not declare the lawsuit as an expense on her personal tax return for 2018 or 2019. (I also note with interest that Goldy admits that she did not report \$34,561.75 of her personal income to the CRA in 2018).

Goldy asks that where there is no evidence that personal contributions were made to benefit her campaign, the City has to accept that these were not campaign donations. This too has become an issue because the candidate failed to take sufficient steps to clearly delineate her personal and campaign fundraising to her audience.

As a content creator inside the alt-right ecosystem, Goldy often funded her work and advocacy by asking for money. This ran alongside her appeals for campaign funds. Even a person acting in good faith would probably find it very hard to keep the two separate. Emails included in the report do show her returning a few donations from outside jurisdictions, but in the same message indicates that personal donations could be made to another email address. These few private emails, offered up as a kind of proof that there was a distinction made, hardly demonstrate that sufficient steps were taken to publicly separate the personal and the campaign for her would be contributors. Indeed, they reflect a scheme whereby illegal contributions received would effectively be diverted to a separate personal bank account from which payment would be made for the same bills that were being paid by the contributions that were not returned. This appears to reflect a deliberate effort to evade the requirements of the Act.

Goldy's submission claims that it is unfair to expect a campaign to pay the expenses of a legal action in a situation where the campaign doesn't have enough money, and that the only way to be fair both to the creditor and the candidate is to allow the candidate to make the payment in contravention of the Municipal Elections Act. To the contrary, a campaign should not file a legal action if it does not have the resources or expect to have the resources to pay what it owes. Faith Goldy bears all responsibility for the situation that she created.

As a matter of full disclosure, I worked on John Tory's campaign in 2014 and was briefly a special assistant in the Mayor's office.

Goldy has alleged that my 2019 complaint was politically motivated and that I was working on behalf of John Tory or his campaign against Goldy during or after the election. This is absolutely false and she offers no evidence.

Goldy also alleges that this is politically motivated because I am the Executive Director of an anti-hate organization. To be blunt, good hearted people do not recognize her ideology as a legitimate form of political discourse. More importantly, my motives in this process should be inconsequential to its outcome. The Municipal Elections Act gives me the right and a mechanism to bring forward a complaint that any candidate has violated the Act. Over the years, I understand that many opponents of candidates have brought applications against those candidates. I did not conduct the audit that found these violations; a city-appointed auditor did. The Committee's decision should be made on the merits, not the candidate's ad hominem counter-attacks.

Now, let me address why moving forward with a prosecution is in the public interest.

The report raises more questions than it answers because Goldy wouldn't cooperate and, as the report suggests, she may have even falsified records. Goldy claims it was unreasonable in one instance to expect her to submit documentation within a two-week window in January because it conflicted with orthodox Christmas. I want to emphasize that the auditor noted a **general** lack of cooperation, which is why this process has taken so long.

If the Municipal Elections Act was intended for any situation, it's this one. Faith Goldy is in serious contravention and, if the law is to be respected by subsequent candidates, it must be enforced.

Now, in the 11<sup>th</sup> hour, Goldy claims to want to do everything to make the situation right. I have no doubt her offer is genuine, but in my opinion it is only because she is fearful of the consequences of her actions

and inactions. If she was genuinely contrite, she would not have been so obstinate with the auditor for so long.

Moving forward with a prosecution will also help communicate that sufficient efforts must be taken to separate personal and campaign finances so that future candidates may not either enrich themselves personally, or gain an unfair advantage in an election because of their personal or familial wealth.

Thank you for your time and attention.

Sincerely,

Evan Balgord