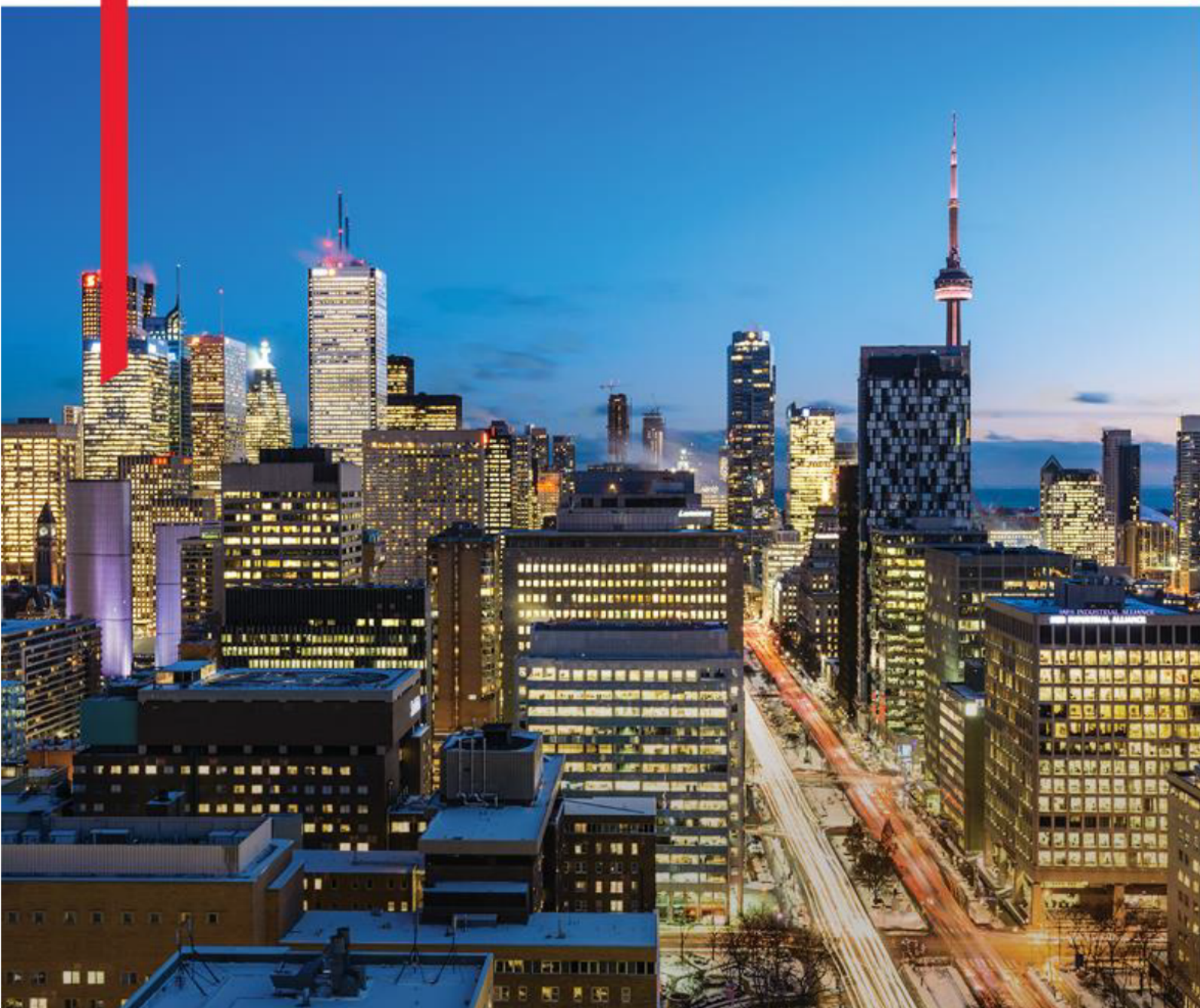




CITY OF TORONTO

REPORT ON MUNICIPAL ELECTION COMPLIANCE AUDIT OF THE CAMPAIGN FINANCIES OF CANDIDATE LORENZO BERARDINETTI

PREPARED FOR: CITY OF TORONTO COMPLIANCE AUDIT COMMITTEE
PREPARED BY: BDO CANADA LLP

OCTOBER 15, 2024

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SUMMARY

Lorenzo Berardinetti (the "Candidate") did not comply with the requirements of the Municipal Elections Act, 1996 (the "Act") in that he did not file a copy of the Financial Statement – Auditor's Report Candidate – Form 4 (the "Financial Statement"), as stated by Kevin Wiener (the "Applicant"), by the required filing deadline of March 31, 2023 or by the extended filing deadline of May 1, 2023 as set out in section 88.25.

Further, the Candidate did not comply with the record-keeping and related duties set out at section 88.22(1) and the Candidate did not cooperate with the compliance audit process or provide constructive responses to requests made.

BACKGROUND

The Candidate filed his nomination for election as Councillor for Ward 20 (Scarborough Southwest) on June 9, 2022 in the election to be held on October 24, 2022. The Candidate was not elected in that election, finishing fourth.

Lorenzo Berardinetti (the "Candidate") did not comply with the requirements of the Municipal Elections Act, 1996 (the "Act") in that he did not file a copy of the Financial Statement – Auditor's Report Candidate – Form 4 (the "Financial Statement"), as stated by Kevin Wiener (the "Applicant"), by the required filing deadline of March 31, 2023 as set out in section 88.25.

Under section 88.25(1) of the Act, all candidates who filed a nomination paper must also file a financial statement reflecting their election campaign finances from the date they filed their nomination up to 45 days after voting day.

The Candidate did not comply with the record-keeping and related duties set out at section 88.22(1).

OBJECTIVE AND SCOPE

The Compliance Audit Committee met on July 19, 2023 to hear Item EA3.3 the Compliance Audit Application of Kevin Wiener for a compliance audit of the Election Campaign Finances of the Respondent, Lorenzo Berardinetti. The Committee granted the Application to conduct a compliance audit of the election campaign finances of Lorenzo Berardinetti, in accordance with s.88.33(7) and (10) of the Act.

The Compliance Audit Committee met on November 10, 2023 to hear Item EA5.1 the Appointment of External Auditors by the Compliance Audit Committee. BDO Canada LLP ("BDO") was appointed as one of the audit firms to conduct compliance audits of election campaign finances of candidates or third-party advertisers during the 2022 to 2026 term of office.

BDO was formally assigned to undertake a compliance audit of the 2022 municipal election campaign finances of Lorenzo Berardinetti in a letter dated November 16, 2023 signed by the Deputy City Clerk.

APPROACH

BDO made multiple attempts to contact the Candidate using the contact information provided by the candidate to the City of Toronto in the Candidate's nomination form, as described below:

- BDO sent a registered letter to the address provided on the Candidate's nomination form. The letter, and all subsequent letters, included an explanation of the Compliance Audit Committee's decision to grant an audit and our request for the Candidate to provide campaign financial statement (Financial Statement – Auditor's Report Candidate – Form 4) and all supporting documentation for the 2022 municipal election. The letter was undelivered and subsequently returned to our offices by the courier.
- BDO sent an email on two separate occasions to the email address provided on the Candidate's nomination form, which included the above letter as an attachment. BDO did not receive a response.
- BDO called the telephone number provided on the Candidate's nomination form. The automated machine response indicated that the number was "unassigned".

Having been unsuccessful in contacting the Candidate through the above methods, BDO looked into alternative contact methods.

Through review of what appeared to be a website set up by the Candidate to publicize his book, BDO identified an address in Ajax; however upon further research, BDO identified that it was an address of a UPS location.

Through a review of Toronto property records, BDO identified a property, located in Scarborough, registered to the Candidate's name.

BDO sent a letter to both of the addresses. BDO did not receive a response to the letter sent to the Ajax location. However, BDO received a call from the individual that received the letter to the Scarborough address who stated that they had the same name as the Candidate but were a different person.

On July 18, 2024, BDO engaged with an Investigative Services firm to assist in locating the candidate. On July 30, 2024 the Investigative Services firm located the Candidate at [REDACTED]. An associate of the Investigative Services firm hand

delivered the Candidate the letter, from BDO, requesting him to provide a financial statement and documentation to support his campaign finances and provided a phone number for a representative from BDO that could be contacted to discuss the matter. They also provided the Candidate with Auditor's Appointment Letter from the City Clerk's Office indicating that BDO had been assigned the Candidate's Compliance Audit.

CANDIDATE'S RESPONSE

Upon being contacted by the Investigative Services firm, the Candidate called the representative from BDO to discuss the letter and explain his current personal situation. The Candidate [REDACTED] confirmed his home address at that time was the address indicated on the Candidate's nomination form. He stated that he no longer had access to any records that could support his campaign finances as much of his property was destroyed [REDACTED]
[REDACTED]

The Candidate stated that he was aware that the penalty for not submitting his campaign financial statement was that he would be ineligible to being elected until after the next regular election. As a result, he chose not to file as he indicated he did not fundraise, and he had no intention of running as a candidate in the City of Toronto election in 2026.

FINDINGS

Failure to File Financial Statement

The Candidate did not comply with the requirements of the Act in that he did not file a copy of the Financial Statement by the required filing deadline of March 31, 2023 or by the extended filing deadline of May 1, 2023 as set out in section 88.25.

Failure to Maintain Required Records and Disclose Revenue and Expenses

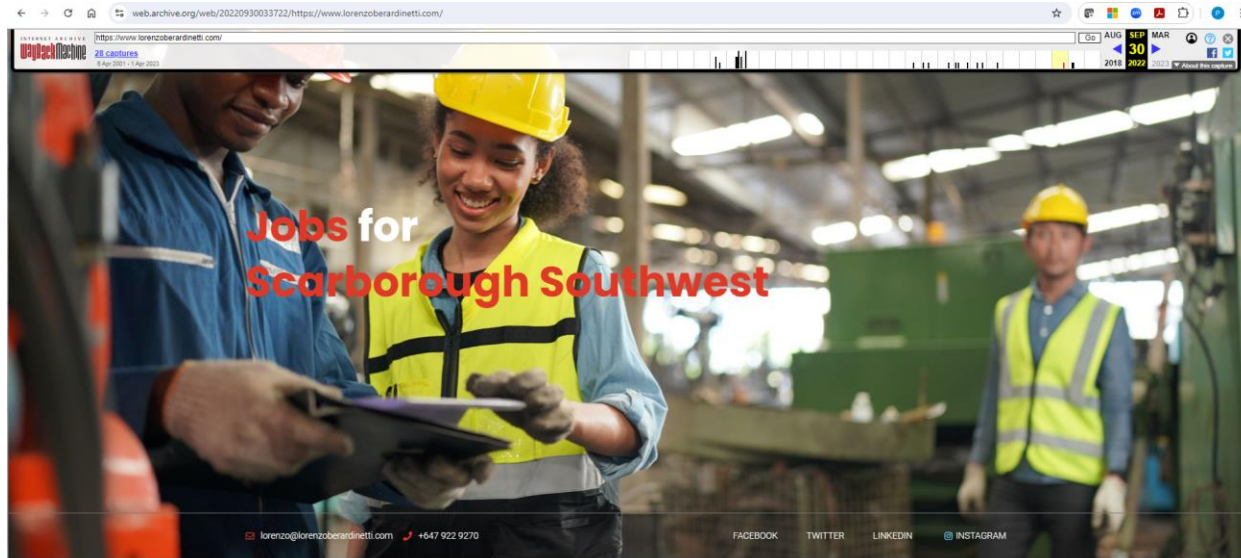
The Candidate did not comply with the requirements of Section 88.22 (g), (h), (i), (j), (k), (l), (m) of the Act as he stated he was unable to provide any records that could support his campaign finances.

The basis for the Applicant's Compliance Audit Application was evidence of the Candidate's campaign website, www.lorenzoberardinetti.com, which suggests that at a minimum the Candidate would have incurred expenses to purchase the domain and host the website. See Appendix A.

Consequently, either self contribution, individual contributors, or fundraising activities, the Candidate would have had to receive sufficient contributors to cover the above expenses.

As a consequence of the Candidate not complying with the requirements of Section 88.22 (g), (h), (i), (j), (k), (l), (m) of the Act, it was not possible to readily determine the extent to which, if any, there were additional contributions and expenses or determine the Candidate's compliance with Section 88.22 (a), (b), (c), (d), (e), (f), (n), (o), (p), (q), (r). In addition, BDO was unable to determine the Candidate's compliance with 88.31(4) in which if there was a surplus, the Candidate is to pay the surplus to the Clerk upon filing their financial statement.

APPENDIX A



I have registered to run for City Councillor, Ward 20, Scarborough Southwest. I have secured a campaign office at 2279 Kingston Road. This is west of Midland Avenue, on the south side. If you want to help out on this campaign, please message me or text me or call me at (647) 922-9270.

The ward boundaries are Victoria Park Avenue on the west, Markham Road on the east, Eglinton Avenue on the north and Lake Ontario on the south. The incumbent does not live in Ward 20. He lives in Port Union, Scarborough.

I live in our community of Ward 20. Property taxes need to be frozen! New development proposals require more and better community consultation! I promise to open a Constituency office in the ward! We need to attract new, high tech, well paying jobs to ward 20! I am concerned for our community. Having 15 years experience as a City Councillor and 15 years experience as a Member of Provincial Parliament, I am qualified to fight on behalf of my neighbours, I am a lawyer. And a concerned neighbour who wants to make our community better.

I live in ward 20, Scarborough Southwest. I am your neighbour and I care about what happens to our community. I will be accessible and accountable to all residents of ward 20. We can do better.



We Can Do Better!

My Platform

1. Freeze property taxes for 3 years.
2. Establish a special task force to cut waste from the City budget.
3. Attract new high technology companies to our Ward.
4. Re-establish the Kingston Road Business Improvement Area.
5. Improve transportation in our Ward and beyond.
6. Better consultation and decision making for new rezonings.
7. Protect and enhance our tree canopy.
8. Open a full-time constituency office in the Ward.
9. Improve infrastructure in Scarborough.
10. Be your voice at City Hall. Fight on your behalf. Make sure that issues from our Ward are addressed fully at City Council meetings.

Gallery

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Taking the Next Step Forward Together



Public Sentiment Is Everything



Support is Needed



What do we want?

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