



NEWS RELEASE

October 4, 2019

Independent investigations into ICORE-related activities at AER find conflict of interest, gross mismanagement of public funds, and critical oversight failures

Edmonton, Alberta, Canada ... Separate investigations by three independent officers of the Legislative Assembly of Alberta into activities at the Alberta Energy Regulator (AER) and the International Centre of Regulatory Excellence (ICORE) found a conflict of interest by the former CEO of AER, gross mismanagement and waste of public resources, and critical failures related to board oversight and management override of internal controls.

Investigations into AER's ICORE-related activities by Ethics Commissioner Marguerite Trussler, Public Interest Commissioner Marianne Ryan, and Auditor General Doug Wylie, were prompted by complaints brought forward to their respective offices over a three-month period in 2018.

In her investigation, the Ethics Commissioner found:

- Former AER President and CEO Jim Ellis had a conflict of interest in that he furthered his own interest and improperly furthered the private interest of three other employees.
- The primary motivation behind ICORE not-for-profit was to provide future employment for Mr. Ellis and others.

The investigation by the Public Interest Commissioner found serious and significant wrongdoing occurring within the AER, through the establishment of ICORE, under the authority of the former AER President and CEO Mr. Ellis.

“My statement today confirms whistleblower protection legislation provides public servants with an effective mechanism they may access to ensure government maintains the highest possible standards of honesty, openness and accountability. The *Public Interest Disclosure (Whistleblower Protection) Act* creates a confidential avenue for public servants in Alberta to speak out about wrongdoings or make complaints of reprisal.”



- 2 -

The examination by the Auditor General focused on assessing the effectiveness of AER controls and processes to manage risks associated with ICORE activities. The Auditor General found there were critical failures related to the use of resources, managing potential conflicts of interest, information management, compliance with legislation, and corporate culture relating to ICORE.

“ICORE-related activities at the AER provide a case study of how controls can be overridden, public money can be wasted and harm can befall an organization when potential conflicts of interest are present, and weak processes exist. The ICORE situation provides important lessons about how controls can break down when those charged with oversight fail to heed the warning signs and improperly assess systems and risks.”

This is the first time three independent officers of the Legislative Assembly of Alberta have conducted investigations under respective mandates stemming from both whistleblower and public complaints. While the three investigations were completely independent from one another, all three officers deemed it in the best interests of both Albertans and all parties involved to release their respective reports at the same time.

A report on the Public Interest Commissioner in relation to wrongdoing within the Alberta Energy Regulator is available at www.yourvoiceprotected.ca

The Auditor General’s *Examination on the International Centre of Regulatory Excellence (ICORE)* is available at www.oag.ab.ca

- 30 -

For more information, please contact:

Kent Ziegler

Chief Administrative Officer, Office of the Ethics Commissioner

T: 780.422.2273

E: info@ethicscommissioner.ab.ca

Amanda Clements-Harvey

Communications Manager, Office of the Public Interest Commissioner

T: 780.641.8661

E: amanda.clements-harvey@ombudsman.ab.ca

Val Mellesmoen

Executive Director, Stakeholder Engagement, Office of the Auditor General of Alberta

T: 780.644.4806

E: vmellesmoen@oag.ab.ca