

SUMMARY¹

The Ethics Commissioner's Inquiry Report on
Mr. André Lamontagne, Member for Johnson

August 22, 2018

CONTEXT

On June 14, 2018, a number of media outlets reported on the ties of Mr. Stéphane Le Bouyonnec, President of Coalition Avenir Québec ("the CAQ"), to Techbanx and Finabanx, two companies involved in the high-interest loan industry.

On June 15, 2018, Mr. Sylvain Gaudreault, Member for Jonquière and Official Opposition Whip ("the Whip") sent me a request to conduct an inquiry into an alleged violation of section 16 of the *Code of ethics and conduct of the Members of the National Assembly* (CQLR, c. C-23.1) ("the Code") on the part of Mr. André Lamontagne, Member for Johnson ("the Member"), [TRANSLATION] "by knowingly acting to further the high-interest loan industry during the clause-by-clause consideration of Bill 134, *An Act mainly to modernize rules relating to consumer credit and to regulate debt settlement service contracts, high-cost credit contracts and loyalty programs* ("Bill 134") when the President of his own political party held private financial interests in that industry".

FACTS

Mr. Stéphane Le Bouyonnec was chair of the board and a shareholder of Techbanx until June 14, 2018. Techbanx is a Montréal financial technology company that develops algorithms based on artificial intelligence and machine learning for the online loan industry. Techbanx controls Finabanx, which is an Ontario company offering online financial services and specializing in loans and credit.

The Member said that he had known Mr. Le Bouyonnec since the 2014 electoral campaign, when they were running as candidates for the CAQ in the ridings of Johnson and La Prairie, respectively. The Member said that, at the time and until he received a phone call from a journalist on June 11, 2018, he knew that Mr. Le Bouyonnec worked in the field of mergers and acquisitions, but did not know exactly what was the nature of the latter's business or about his ties to Techbanx, or even of the existence of that company.

1. The Ethics Commissioner's official position and conclusions are included in the inquiry report. Where there are any differences between the summary and the report's content, the latter prevails.

In carrying out the duties of his office, the Member participated in the clause-by-clause consideration of Bill 134 in parliamentary committee. The meetings for the clause-by-clause consideration of Bill 134 were held on October 31 and November 1, 2 and 7, 2017. Bill 134 was passed and assented to on November 15, 2017.

The Member's actions that the Whip is calling into question concern more specifically the provisions on money lending and cases where "a consumer sells goods to a merchant with a right of redemption". During the November 1, 2017 meeting of the Committee on Citizen Relations, the Member proposed an amendment designed to exempt contracts for the loan of money from the application of the *Consumer Protection Act* (CQLR, c. P-40.1) when the consumer sells goods worth less than five hundred dollars (\$500) to a merchant with a right of redemption. After debate, the amendment proposed by the Member was rejected. During the discussions surrounding the amendment, the Minister undertook to make adjustments in a future draft regulation to amend the *Regulation respecting the application of the Consumer Protection Act* (CQLR, c. P-40.1, r. 3).

On April 18, 2018, the draft regulation was published in the *Gazette officielle du Québec*. Its purpose was "to complete legislative provisions recently introduced by the *Act mainly to modernize rules relating to consumer credit and to regulate debt settlement service contracts, high-cost credit contracts and loyalty programs*".² Section 6 of the draft regulation inserted section 12.2 into the *Regulation respecting the application of the Consumer Protection Act*; in its substance, this inserted provision resembled the amendment proposed by the Member during consideration of Bill 134.

ANALYSIS OF THE FACTS AND APPLICABLE LEGISLATION

Prohibition against furthering private interests and against influencing so as to further private interests (section 16, paragraphs 1 and 2 of the Code)

First, under paragraph 1 of section 16 of the Code, it had to be determined whether, when carrying out the duties of his office, the Member improperly furthered Mr. Le Bouyonnec's private interests by

- i. his actions in the context of the clause-by-clause consideration of Bill 134 in parliamentary committee;
- ii. his proposed amendment to section 23 of Bill 134, which would have inserted, in particular, section 115.1 into the *Consumer Protection Act* (CQLR, c. P-40.1).

Second, under paragraph 2 of section 16 of the Code, it had to be determined whether the Member used his position to influence or try to influence the Minister's decision regarding section 6 of the draft regulation so as to improperly further the private interests of Mr. Le Bouyonnec.

2. Preamble of the draft regulation.

Before analyzing the actions that the Member may have performed to improperly further the private interests of Mr. Le Bouyonnec, it first had to be determined whether the Member knew about Mr. Le Bouyonnec's ties to Techbanx. Under the circumstances, this was a central element in determining whether the alleged violation had occurred.

Essentially, the testimony gathered does not make it possible to conclude that the Member knew of Techbanx's existence or of the ties between Techbanx and Mr. Le Bouyonnec at the time of the Member's actions in the context of the clause-by-clause consideration of Bill 134 in parliamentary committee. It is therefore unlikely that the Member's actions during the clause-by-clause consideration of Bill 134 in Parliamentary committee improperly furthered or were intended to improperly further the private interests of Mr. Le Bouyonnec.

CONCLUSION

Based on the foregoing, the Commissioner concludes that the Member for Johnson did not violate paragraphs 1 and 2 of section 16 of the Code.