

**The Standing Committee on Internal Economy, Budgets and Administration**  
**Examination of Senator Duffy's Primary and Secondary Residence Status**

*Original, confidential report*

*Public report released May 9, 2013*

On February 7, 2013, the Audit Subcommittee met to review various matters. Recent media reports with respect to Senator Michael Duffy's living allowances in the National Capital Region (NCR) were a matter of discussion. The Senate Administration was asked to provide a summary report of Senator Duffy's travel patterns between Prince Edward Island, his province of appointment, and the NCR. The travel summary raised concerns, whereby your Committee determined that it should amend a current contract with Deloitte for an examination of two senators' claims to include an examination of Senator Duffy's claims. This decision was reported to the Standing Committee on Internal Economy, Budgets and Administration on February 14, 2013.

Deloitte was asked to review Senator Duffy's travel claims and supporting documentation to determine whether the travel occurred or could have occurred; to categorize the claims as appropriate, subject to reimbursement to the Receiver General, or subject to consideration and determination by the Standing Committee on Internal Economy, Budgets and Administration; as well as to assess where the primary residence was located for Senator Duffy.

Deloitte was provided with all documentation internal to the Senate that could be relevant to its examination. In addition, Deloitte requested documentation directly from Senator Duffy and/or his counsel. This request was not met.

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On February 22, 2013, Senator Duffy wrote to **Senator Tkachuk** in **his** capacity as Chair of the Standing Committee on Internal Economy, Budgets and Administration. He said that he had filled out the Senate forms in good faith, but that he “may have been mistaken.” He stated his intent to “repay the housing allowance that I have collected to date.” Senator Duffy asked to be provided with the amount to be repaid in order to “settle this matter in full.” Repayment was subsequently made in the amount of \$90,172.24.

Following repayment, Deloitte reiterated its request for documentation and for a meeting to counsel for Senator Duffy on March 21, 2013. A letter was received from Ms. Payne on March 26, 2013 in response, indicating that Senator Duffy had repaid an amount regarding housing an amount regarding housing and living allowance and that, “In the circumstances, the review that Deloitte has been asked to undertake is now unnecessary. The considerable time required for Senator Duffy to compile the extensive information and documentation required of him by Deloitte as well as his participation in the review of that material, to say nothing of the public expense involved in the same, is no longer needed.”

Deloitte completed its report (attached as an Appendix) based on available information, including Senator Duffy's travel claims, which provided third party proof of travel from commercial carriers, and Senate telecommunications invoices for the Senate mobile phone assigned to Senator Duffy.

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Deloitte was able to confirm within 94 percent accuracy and another 3 percent likelihood Senator Duffy's whereabouts during the period of review, i.e., Ottawa versus his declared primary residence, PEI. This information is fundamental to our determination regarding Senator Duffy's eligibility to claim expenses.

Deloitte noted that, prior to the adoption of the *Senators' Travel Policy* on June 5, 2012, a definition of primary residence did not appear in Senate policy instruments. Deloitte further noted that, "The regulations and guidelines applicable during the period of our review do not include criteria for determining primary residence." Given this, Deloitte reported that they were unable "to assess the status of the primary residence declared by Senator Duffy against existing regulations and guidelines." However, they did conclude that "all of the trips between Ottawa/Gatineau and PEI claimed by Senator Duffy occurred."

Your Committee acknowledges Deloitte's finding that criteria for determining primary residence are lacking. This is being addressed by your Committee. However, the purpose and intent of the original *Living Expense in the NCR Guidelines* and of the *Senators Travel Policy* adopted in June 2012 are very clear:

Deloitte was able to confirm within 94 percent accuracy and another three percent likelihood Senator Duffy's location during the period of review, i.e., Ottawa versus his declared primary residence, PEI. Three percent of the time, his location was unknown. This information is fundamental to our determination regarding Senator Duffy's eligibility to claim expenses.

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senators who do not have their home within 100 kilometres of Parliament Hill and who would not be in Ottawa if it were not for the fact that they are Senators who must attend Senate business, may be reimbursed additional expenses incurred for accommodations while in Ottawa to attend Senate business. The Declaration of Primary and Secondary Residence form that accompanies the police instrument, in use since 1998, requires Senators to affirm whether their *primary* residence is “within 100 kilometres from Parliament Hill” or is “more than 100 kilometres from Parliament Hill.” To claim living expenses in the NCR, any residence owned or rented by a Senator must be a *secondary* residence, for use by the Senator while in the NCR for Senate business. Your Subcommittee considers this language to be unambiguous and, plainly, if a Senator resides primarily in the NCR, he or she should not be claiming living expenses for the NCR.

Deloitte's report has informed our determination of the appropriateness of the living expense claims filed by Senator Duffy. Senator Duffy was found to have spent approximately 30 percent or 164 of the 549 days in the period of review at his declared primary residence. Additionally, Senator Duffy's travel patterns were consistently Ottawa-PEI-Ottawa, demonstrating that Ottawa was his primary or default location. Further, your Subcommittee was aware that Senator Duffy registered his Ottawa address for several official purposes during the period of review.

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It is therefore the conclusion of this Subcommittee that, based on the evidence presented in the examination report, while recognizing that Senator Duffy owns a residence in PEI and spends considerable time there, in particular during the summer months, his continued presence at his Ottawa residence over the years does not support such a declaration and is contrary to the plain meaning of the word “primary” and to the purpose and intent of the provision of living allowance in the NCR.

Your Committee therefore recommends:

1. That the living expenses claimed by Senator Duffy dating back to the time of his appointment **was** properly reimbursed by him; and
2. That living and travel expense claims submitted for reimbursement by Senator Duffy be monitored from the date of the adoption of this report for a period not less than one year.

Respectfully submitted,

*Le président,*

**DAVID TKACHUK**  
*Chair*

Your Committee therefore recommends:

1. That the living expenses claimed by Senator Duffy dating back to the time of his appointment **have been** properly reimbursed by him; and
2. That living and travel expense claims submitted for reimbursement by Senator Duffy be monitored from the date of the adoption of this report for a period not less than one year.

Respectfully submitted,

*Le président,*

**DAVID TKACHUK**  
*Chair*