

Opinion of the Conflict of Interest Commissioner for Saskatchewan

In the matter of the Member for Regina Northeast, Gary Grewal

I. INTRODUCTION

On May 15, 2024, I received a written request from the Member for Regina Elphinstone-Centre, Ms. Meara Conway, seeking my opinion respecting whether the Member for Regina Northeast, Mr. Gary Grewal, had contravened s. 15 of *The Members' Conflict of Interest Act*, SS 1998, c M-11.11 [Act]. Ms. Conway articulated her allegations against Mr. Grewal in that letter as follows:

My belief regarding Mr. Grewal's breach stems from the recent events regarding Mr. Grewal's ownership and financial interest in two motels in Regina and his membership in the Sask. Party Government. According to Mr. Grewal's disclosure forms, he is President of "Grewal Hospitality Inc.," which is listed as the owner of the Sunrise Motel. The corporate registry filing for Grewal Hospitality Inc. confirms that Mr. Grewal is the owner of all Class A shares. Mr. Grewal also indicates that he is an investor in the Thriftlodge Motel and that it is a source of income in his Public Disclosure Statements.

While I suspect any inquiry will look more closely at what is a "government contract," I have reasonable and probable grounds to believe that the situation at hand meets the definition of "government contract" under s. 15. At its core, a requisition is a document issued by a buyer to a seller indicating types, quantities, and agreed prices for products, goods, or services. They are themselves a contract or, at the very least, reflect the existence of a contract. Furthermore, Mr. Grewal certainly meets the definition of "participating" in a government contract under s. 15(3) as the owner of the Sunrise Motel, and as an investor receiving income from the Thriftlodge Motel. To my knowledge, Mr. Grewal never granted an exemption under section 15, which is a bar to government contracts covered by the section.

Since Mr. Grewal's election, over \$700,000 in hotel rooms has been rented by the Ministry of Social Services from Mr. Grewal's motels, often at as high as double the market rate, where the Sunrise Motel had barely been used and the Thriftlodge Motel had not been used at all by the Ministry of Social Services prior to the Mr. Grewal's election in 2020. The inflated rates charged have the potential to harm the public's trust in their elected officials and raise the possibility that Mr. Grewal was furthering his private interests through his official duties as a member of the Sask. Party government.

Neither the public nor the Opposition Party in the Legislature were able to identify the apparent conflicts as the amounts did not appear in Volume 2

of Public Accounts (despite the amounts paid out to these hotels exceeding \$50,000/yr). The story "broke" when a senior Evelyn Harper was evicted from her Sask. Housing seniors' residence, and she checked herself into the Sunrise Motel. When the Ministry later stepped in to cover the cost of her hotel, the rates were increased to \$200/night. This prompted the Opposition to begin asking questions. I have attached the information we have received from the Ministry to date on this issue, including a letter by Deputy Minister Kimberly Kratzig dated February 8, 2024, as well as a document tabled at the Human Services Committee during Social Services estimates on April 15, 2024.

After providing Mr. Grewal with an opportunity to make submissions on this request, I advised Ms. Conway and Mr. Grewal on July 11, 2024, that Ms. Conway had satisfied the s. 29 threshold requirement of having "reasonable and probable grounds" to believe that Mr. Grewal is in contravention of s.15 of the *Act*. I also advised Ms. Conway and Mr. Grewal that I would be conducting an inquiry pursuant to s. 30(1) of the *Act* in order to prepare my opinion pursuant to s. 29(1).

II. EXECUTIVE SUMMARY

For the reasons below, it is my opinion that Mr. Grewal has breached s.15 of the *Act* with respect to both the Sunrise Motel and the Thriftlodge Motel.

Section 15 of the *Act* prohibits all Members from participating in "government contracts" unless doing so is specifically permitted by the *Act* or another statute. A Member participates in a government contract where Member is a shareholder, partner, director, manager, or officer of, or has an interest in, a business that is, or has a right to become, a party to or beneficially interested in a government contract.

Mr. Grewal has breached this prohibition. First, the Sunrise Motel entered into government contracts with the Ministry of Social Services ("**Social Services**") when Social Services placed clients at the Sunrise Motel. By virtue of Mr. Grewal being a shareholder, director and officer of the company that owns and operates the Sunrise Motel, Mr. Grewal has participated in these government contracts. Second, like the Sunrise Motel, the Thriftlodge Motel enters into government contracts with Social Services when Social Services places clients at that Motel. Mr. Grewal is a creditor of the Thriftlodge Motel, having loaned money to the individual who owns and operates that Motel for reasons other than in the ordinary course of trade. This means that Mr. Grewal has "an interest in" the Thriftlodge Motel and has therefore also participated in government contracts through the Thriftlodge Motel.

Accordingly, it is my opinion that:

- 1) with respect to the Sunrise Motel, Mr. Grewal contravened s. 15 of the *Act* by participating in government contracts from March 15, 2024, to July 17, 2024; and

- 2) with respect to the Thriftlodge Motel, Mr. Grewal contravened s. 15 of the *Act* by participating in government contracts from March 15, 2024, to July 31, 2024.

III. JURISDICTION

Ms. Conway's request for my opinion was pursuant to section 29 of the *Act*, which reads as follows:

Referral of opinion

29(1) A member who has reasonable and probable grounds to believe that another member is in contravention of this *Act* may request, by application in writing setting out the grounds for the belief and the nature of the contravention alleged, that the commissioner give an opinion respecting the compliance of the other member with the provisions of this *Act*.

My mandate under s. 29 of the *Act* is focused on whether Mr. Grewal is in contravention of the *Act*. More specifically, given the allegations advanced in Ms. Conway's s. 29(1) request, this opinion is focused solely on whether Mr. Grewal contravened s. 15 of the *Act*. For example, there is no allegation before me that Mr. Grewal did not comply with his disclosure obligations under the *Act*. There is no dispute that Mr. Grewal fully complied with his disclosure obligations by disclosing his interests in the Sunrise Motel and the Thriftlodge Motel since his election.

While Mr. Grewal was a member of the Legislature at the time this opinion was requested, Mr. Grewal became a former member when the election writ dropped on October 1, 2024. Given that Mr. Grewal was a member when the opinion request was received and this inquiry began, I maintain jurisdiction to provide the opinion requested pursuant to s. 29(1). In any event, pursuant to s. 33(7)(a) of the *Act*, I remain empowered to provide comment on his conduct notwithstanding this change in status.

IV. PRIOR SECTION 27 REQUEST

Pursuant to s. 27 of the *Act*, a Member may request that my office provide an opinion and recommendation on any matter respecting the obligations of the Member under the *Act*. An opinion and recommendation provided by this office pursuant to s. 27 of the *Act* are confidential but may be released by the Member or with the Member's written consent. Section 27 provides:

Commissioner's opinion and advice

27(1) A member may request that the commissioner give an opinion and recommendation on any matter respecting the obligations of the member under this Act.

(2) The commissioner may make those inquiries that the commissioner considers appropriate to provide the member with a written opinion and recommendations.

(3) The opinion and recommendations of the commissioner are confidential but may be released by the member or with the written consent of the member.

Pursuant to s. 27(3) of the *Act*, Mr. Grewal has provided his written consent to release the following:

- 1) On November 21, 2023, Mr. Grewal was advised by another person to seek an opinion from the Commissioner. Based on that advice, Mr. Grewal sought an opinion from the Commissioner pursuant to s. 27(1) respecting whether any conflict of interest arose by way of his ownership of the Sunrise Motel.
- 2) The Commissioner conducted interviews with Mr. Grewal on December 1 and 15, 2023 and requested documents from Mr. Grewal.
- 3) On December 15, 2023, the Commissioner provided Mr. Grewal with a preliminary verbal opinion that there does exist a government contract each time a Social Services client stays at the Sunrise Motel and has their stay paid for by the Ministry of Social Services. When Mr. Grewal indicated he did not think it was a contract, the Commissioner provided Mr. Grewal with an opportunity to seek the advice of counsel and make submissions on whether a contract between the Ministry of Social Services and the Sunrise Motel existed.
- 4) Mr. Grewal made submissions to the Commissioner through counsel. On March 5, 2024, Mr. Grewal (through counsel) advised the Commissioner that he accepted the December 15 opinion and was withdrawing his request for a written s. 27(1) opinion. Mr. Grewal (through counsel) also advised that he was complying with s. 17(2) and was directing that the Sunrise Motel would no longer accept Social Services guests if their stay was being paid for by Social Services.
- 5) On April 29, 2024, the Commissioner wrote to Mr. Grewal and asked him to confirm that the Sunrise Motel was no longer accepting Social Services clients or that he had divested his interest in the Motel.
- 6) On May 2, 2024, Mr. Grewal advised the Commissioner that the Sunrise Motel had ceased accepting Social Services clients within 90 days of the verbal opinion provided. Mr. Grewal also advised that, while no new clients were accepted, there

were two exceptions who had been permitted to stay at the Motel as the Motel manager did not want to evict them.

The relevance of the above for the purposes of this investigation will be returned to below.

V. INVESTIGATION

To prepare my opinion I interviewed, or caused to be interviewed, all persons who I determined might have any relevant information regarding the issues raised and I secured from them copies of all relevant documents. I also provided a summary of this investigation to Mr. Grewal and, upon receiving comments from Mr. Grewal on that summary, considered those comments.

VI. FACTS

As a result of my investigation, I have determined the following relevant facts.

A. General Background

Mr. Grewal is the Member for Regina Northeast and was elected to that position in October of 2020. Mr. Grewal does not hold any positions within Cabinet, or in any Ministry, and does not have any role with the Ministry of Social Services.

Mr. Grewal has been involved in the hotel and restaurant business for around 25 years.

B. The Sunrise Motel

The Sunrise Motel is located at 1931 Rupert Street in Regina, Saskatchewan.

Mr. Grewal's involvement with the Sunrise Motel dates back to 2001. At that time, the Sunrise Motel was owned and operated by 101021184 Saskatchewan Ltd. In 2011, Grewal Hospitality Inc. ("**Grewal Hospitality**") was incorporated. It has owned and operated the Sunrise Motel since. Mr. Grewal personally holds 10 Class 'A' shares in that company and is the only officer and director of Grewal Hospitality. Mr. Grewal is also a shareholder of Grewal Hospitality through the Grewal family trust. Mr. Grewal earns income through Grewal Hospitality.

Mr. Grewal is not involved in the Sunrise Motel's operations. Mr. Grewal was initially more involved in the Sunrise Motel's operations going back to 2001 but reduced his involvement around 2006 or 2007. The Motel has been run by managers for 10 to 15 years.

Mr. Grewal has no involvement in the Sunrise Motel's finances, nor has he been involved in setting room rates for the Sunrise Motel since 2020. Mr. Grewal's spouse does the bookkeeping for the Sunrise Motel, which includes depositing money and looking after paperwork.

Social Services has placed clients at the Sunrise Motel since 2012. Social Services has paid the following amounts to the Sunrise Motel since 2018:

- 2018-2019: \$282
- 2019-2020: \$1,027
- 2020-2021: \$12,931
- 2021-2022: \$37,041
- 2022-2023: \$220,474
- 2023-2024 (April to September): \$110,887

When Social Services clients were placed at the Sunrise Motel, the following process was followed:

- A Social Services case worker calls the front desk at the Sunrise Motel and negotiates the price with the manager for that night. If a price is agreed upon, the case worker sends the Social Services client.
- The Social Services client then attends at the Sunrise Motel with a requisition form. The top half of the requisition form (which states, "Step 1: Case Worker") is completed and signed by the case worker and the Social Services client ahead of time.
- When the Social Services client arrives at the Sunrise Motel, the bottom half of the requisition form (which states, "Step 2: Vendor") is completed by a Motel employee and the Social Services client.
- The Sunrise Motel sends a copy of the completed requisition form to Social Services.
- Social Services then takes the requisition form and remits payment to the Sunrise Motel by way of a cheque with an accompanying deposit slip.
- The Sunrise Motel issues a receipt to Social Services, but generally does not provide a receipt to the Social Services client unless requested.

At some point in time in the second week of March of 2024, Mr. Grewal directed his spouse that the Sunrise Motel must cease accepting Social Services clients as guests. March 15, 2024, was the last day that the Sunrise Motel accepted new Social Services clients as guests. However, Mr. Grewal did not want to evict individuals who were already staying at the Sunrise Motel, and three Social Services clients were permitted to continue staying at the Sunrise Motel until March 25, 2024. The Sunrise Motel received its final payment from Social Services for its clients' stays at the Sunrise Motel on July 19, 2024.

C. The Thriftlodge Motel

The Thriftlodge Motel is located at the intersection of Albert Street and 4th Avenue in Regina, Saskatchewan.

Mr. Grewal loaned \$100,000 to the individual who owns the Thriftlodge Motel in 2010 through that individual's company. Mr. Grewal and that individual do not have a business relationship, and Mr. Grewal loaned that individual money because he was a part of the community and to help him out at a time when he needed money. Since loaning this

amount in 2010, Mr. Grewal has received interest-only payments on the loan to this individual monthly and has not received any payments on the principal.

Given the sizable amount of this loan, Mr. Grewal wanted security for the loan. The individual receiving the loan provided security in the form of a mortgage on the Thriftlodge Motel, which was registered in the Land Titles Registry on April 15, 2010. While Mr. Grewal has since postponed his mortgage in favour of Business Development Bank of Canada, the April 2010 mortgage otherwise remains in effect. Mr. Grewal has no involvement with the Thriftlodge Motel apart from this registered mortgage and has never been a shareholder in the Thriftlodge Motel.

Social Services has placed clients at the Thriftlodge Motel since at least 2021. It has paid the Thriftlodge Motel the following amounts:

- 2021-2022: \$46,679
- 2022-2023: \$163,704
- 2023-2024 (April to September): \$139,478

Mr. Grewal was aware that the Thriftlodge Motel accepted Social Services clients prior to November 2023. Mr. Grewal also provided evidence that he understood the Thriftlodge Motel was still allowing Social Services to place clients at the Thriftlodge Motel. Given that this was Mr. Grewal's affirmed evidence, I am prepared to accept that the Thriftlodge Motel continued to accept Social Services clients until July 31, 2024.¹

Mr. Grewal has not had any communications with the Thriftlodge Motel or any persons at the Motel about allowing Social Services clients to stay as guests. Mr. Grewal has not taken any steps to stop the Thriftlodge Motel from accepting Social Services clients.

VII. THE LAW

Below I will review the relevant statutory provisions, Mr. Grewal's obligations thereunder and what constitutes a contract at law.

A. The Relevant Statutory Provisions

The relevant sections of the Act for the purposes of my opinion are as follows:

Interpretation

2(1) In this Act:

...

(b) "**business**" means a corporation, proprietorship, partnership or other association of persons;

¹ Per a government news release, Social Services commenced a pilot program on August 1, 2024 whereby five hotel rooms at a different hotel in Regina were secured for emergency placements.

...

(d) “**Crown**” means the Crown in right of Saskatchewan and includes departments, secretariats and offices of the Government of Saskatchewan and Crown corporations, including corporations in which the Government of Saskatchewan owns a majority of shares;

...

(g) “**member**” means:

- (i) a member of the Assembly; or
- (ii) a member of the Executive Council;

(h) “**private interest**” does not include an interest in a decision:

- (i) that is of general public application;
- (ii) that affects a person as one of a broad class of persons; or
- (iii) that concerns the remuneration and benefits of a member or an officer or employee of the Assembly;

...

Prohibition of participation in government contracts

15(1) In this section and in sections 16 and 17, “government contract” means a contract entered into with the Crown for any purpose, and includes any contract for:

- (a) the supply to or by the Crown of any goods or services;
- (b) the sale, lease or other disposition of any real property to or by the Crown;
- (c) the construction of any public work for the Crown;
- (d) the determination of compensation or damages with respect to real property taken, damaged or purchased by the Crown;

(e) the determination of compensation or damages to be paid by the Crown in cases not provided for in clause (d); or

(f) the lending of moneys to or by the Crown.

(2) Notwithstanding subsection (1), a government contract does not include any contract that gives rise to the status of those persons described in section 11 of The Legislative Assembly and Executive Council Act.

(3) In this section and in sections 16 and 17, a member participates in a government contract where the member:

(a) is, or has a right to become, in the member's personal capacity, a party to or beneficially interested in the contract; or

(b) is a shareholder, partner, director, manager or officer of, or has an interest in, a business that:

(i) is, or has a right to become, a party to or beneficially interested in the contract; or

(ii) has a subsidiary which is, or has a right to become, a party to or beneficially interested in the contract.

(4) For the purpose of this section, a creditor of a business whose indebtedness was incurred other than in the ordinary course of trade has an interest in that business to the extent of that indebtedness.

(5) Except as specifically provided in this or any other Act, no member shall participate in a government contract.

(6) The prohibition in subsection (5) does not apply to:

(a) a government contract that is not subject to the discretion of any individual, where the standard terms and conditions of eligibility are objective in nature and are prescribed in an Act or regulation; or

(b) a government contract that is exempted by the regulations from the application of this section.

...

Exception re government contracts

17(1) A member does not contravene section 11 or 15 if the member:

(a) was not aware of the existence of the government contract; and

(b) cannot be reasonably expected to have been aware of the existence of the government contract.

(2) Within 90 days after becoming aware of the member's participation in a government contract, the member shall comply with sections 11 and 15.

There also exist s. 3 of *The Members' Conflict of Interest Regulations*, RRS c M-11.11 Reg 1 (now repealed) and s. 3 *The Members' Conflict of Interest Regulations, 2022*, RRS c M-11.11 Reg 2, both of which establish exceptions to what constitutes a prohibited government contract under the *Act*.

B. What Constitutes a Contract?

Applying the principles of statutory interpretation,² all Members are prohibited from participating in "government contracts" unless it is specifically permitted by the *Act* or another statute.

While that seems straightforward, I do want to address what constitutes a "government contract" within the meaning of this prohibition. Section 15(1) defines "government contract" to mean a "contract entered into with the Crown for any purpose" – it does not define the word "contract" separately.

By not defining the word "contract" itself, it is my opinion that the Legislature has invoked the common law regarding what constitutes a contract. At law, a contract does not need to be a written and signed agreement. A contract may arise in various other ways, such as by way of an oral agreement. An enforceable contract exists where the following elements are satisfied:

- 1) there must be an intention to create legal relations, an offer, and an acceptance of that offer;
- 2) there must be consideration; and
- 3) there must be a meeting of the minds between the parties on the essential terms of the contract.³

² See *The Legislation Act*, SS 2019, c L-10.2, s. 2-10.

³ See for example *Ziola v Petrie*, 2018 SKQB 209 at para 9; *Gilmore Masonry Heaters Inc. v Reed*, 2021 SKQB 29 at para 109.

This means that where there is a “contract” (i.e., the above elements are satisfied) with the “Crown” (as defined in the *Act*), there exists a “government contract” within the meaning of s. 15(1).

VIII. DISCUSSION

Given that the allegations against Mr. Grewal relate to his involvement in both the Sunrise Motel and the Thriftlodge Motel, I will address those allegations separately. In so doing, I note that I have considered the legal submissions provided by Mr. Grewal’s counsel on October 15, 2024.

A. The Sunrise Motel Allegations

The first allegation before me concerns Mr. Grewal’s involvement in the Sunrise Motel. Specifically, Ms. Conway has alleged that Mr. Grewal has participated in a government contract through his involvement with the Sunrise Motel and thereby contravened s. 15 of the *Act*.

I will begin by determining whether the Sunrise Motel⁴ is “a party to or beneficially interested” in a “government contract”. As detailed above, the process for placing a Social Services client at the Sunrise Motel is as follows:

- A Social Services case worker calls the front desk at the Sunrise Motel and negotiates the price with the Motel manager for that night. If a price is agreed upon, the case worker sends the Social Services client.
- The Social Services client then attends at the Sunrise Motel with a requisition form. The top half of the requisition form (Step 1: Case Worker) is completed and signed by the case worker and the Social Services client ahead of time. That top half identifies the price agreed to by the case worker and the Sunrise Motel.
- When the Social Services client arrives, the bottom half of the requisition form (Step 2: Vendor) is completed by a Motel employee and the Social Services client.
- The Sunrise Motel sends a copy of the completed requisition form to Social Services.
- Social Services then takes the requisition form and remits payment to the Sunrise Motel by way of a cheque with an accompanying deposit slip.
- The Sunrise Motel issues a receipt to Social Services, but generally does not provide a receipt to the Social Services client unless requested.

It is my view that a contract arises between Social Services and the Sunrise Motel each time Social Services places a client at the Motel. The elements required for a valid contract are satisfied:

- 1) There must be an intention to create legal relations, an offer, and an acceptance of that offer: Social Services calls the Sunrise Motel to discuss placing a client

⁴ When referring to the Sunrise Motel in this discussion, I am also referring to Grewal Hospitality which is the corporate entity.

there. When the parties agree on a price, the Social Services case worker sends the client to the Sunrise Motel with a signed requisition form setting out that agreement. The Sunrise Motel then completes the other half of the requisition form and indicates its agreement to this. I consider this to be offer and acceptance, as well as an intention to create legal relations.

- 2) There must be consideration: Social Services provides the Sunrise Motel consideration by way of payment, and the Sunrise Motel provides Social Services consideration by way of allowing its clients to stay at the Sunrise Motel (i.e., providing a service to Social Services' clients).
- 3) There must be a meeting of the minds between the parties on the essential terms of the contract: Social Services and the Sunrise Motel reach a meeting of the minds during the phone call on price, and then document that meeting by way of signed requisition form. While an employee for the Sunrise Motel is the individual who completes the second part of the requisition form, this practice is authorized and accepted by management and ownership.

Because Social Services is the "Crown" within the meaning of the *Act*, I conclude that this constitutes a "government contract".

Through counsel, Mr. Grewal has suggested that this does not constitute a "government contract" within the meaning of s. 15. Specifically, they have argued that Social Services clients are permitted to choose whatever facility they want and Social Services merely provides a cheque to that facility. This argument is not consistent with the facts as I have found them. Social Services does not merely provide a cheque to the Sunrise Motel. Social Services is involved throughout the process: it makes the initial call to the Sunrise Motel to inquire about placing a client, negotiates a price with the Sunrise Motel, provides the Sunrise Motel with a signed requisition form identifying that price and remits payment to the Sunrise Motel.

I then turn to whether Mr. Grewal's involvement with the Sunrise Motel results in him having participated in a government contract within the meaning of s. 15(3) and (5). I conclude it has. Section 15(3) establishes that a Member participates in a government contract where the Member "is a shareholder, partner, director, manager or officer of, or has an interest in, a business" that "is, or has a right to become, a party to or beneficially interested in the contract". Mr. Grewal is a shareholder, director and officer of Grewal Hospitality. Because Grewal Hospitality is the owner and operator of the Sunrise Motel, this constitutes participating in a government contract within the meaning of s. 15(3)(b)(i).

I note that Mr. Grewal has also argued that this interpretation of s. 15(5) is too expansive and makes it "nearly impossible" to be a businessperson without dealing with government agencies or Crown corporations. He suggests that instead, the "proper way" to handle these circumstances is for a member to recuse themselves pursuant to s. 3 of the *Act*.

I do not agree. Respectfully, this is tantamount to a request that I rewrite s. 15 of the *Act*. My role is to determine whether Mr. Grewal contravened s. 15 of the *Act*. I am not the

person responsible for drafting that provision, or for making the policy choices that animate that provision. It is the Legislature that chose to implement a full ban on participation in government contracts but for specific exceptions which do not apply here as I will explain further. It is the Legislature that chose not to require mere recusal. It is also the Legislature that chose to define what constitutes a government contract in a way that does not require a Member's involvement in a business' operations; it is the Legislature that chose to define "government contract" in reference to a Member's interests, not their day-to-day involvement in operations. These are choices open to the Legislature, and my only role is to interpret s. 15 and determine whether Mr. Grewal has contravened it – not to rewrite the legislation.

I then must consider the exceptions to the prohibition in s. 15(5). These include those set out in s. 15(6) and in the *Regulations*. However, I do not see any possible application of those exceptions to the present circumstances nor has Mr. Grewal argued that these exceptions apply.

I do note that Mr. Grewal has argued that "receipt of public assistance" is a prohibited ground pursuant to *The Saskatchewan Human Rights Code, 2018*, SS 2018, c S-24.2. Flowing from that, Mr. Grewal argues that this is relevant to s. 15(5) of the *Act* and creates an exception to what constitutes a "government contract". I do not accept this argument. The Legislature has been clear: it is only where the *Act* or another statute specifically creates an exception to the prohibition in s. 15(5) that a Member is permitted to participate in a government contract. No such exception is created in *The Saskatchewan Human Rights Code, 2018*.

Instead, it is the exception created by s. 17 that is at the heart of the issue before me. That section establishes that a Member does not contravene s. 15 where the Member: (a) was not aware of the existence of the government contract; and (b) cannot be reasonably be expected to have been aware of the existence of the government contract. Both must be satisfied before this exception can be invoked. Once the Member becomes aware of their participation in a government contract, they then have 90 days to come into compliance with s. 15 of the *Act*.

This exception is practical, and reflects the realities that Members face when elected. A Member may have legitimate reasons that they cannot immediately cease participating in a government contract: for example, they may be unable to divest their interest without the consent of a third party, or they may face a significant financial loss. Relatedly, a Member ceasing to participate in a government contract – whether by divesting their interest in a business or having their business pull out of the contract – may impact third parties. The present matter is such a circumstance: Mr. Grewal having to cease participating in government contracts means that the Sunrise Motel can no longer accept Social Services clients. This may create hardship for Social Services and its clients in view of the limited number of motels/hotels that are willing to accept Social Services clients.

In the course of responding to Mr. Grewal's s. 27 request before it was withdrawn, I determined that Mr. Grewal satisfied the requirements for this exception. I accepted that

while Mr. Grewal was aware the Sunrise Motel allowed Social Services clients to stay there, Mr. Grewal genuinely and reasonably did not appreciate that this amounted to a government contract until I provided him with my preliminary opinion on December 15, 2023. Accordingly, I accepted that Mr. Grewal had 90 days from December 15, 2023 to come into compliance with s. 15 of the *Act*.

What I must now determine is whether Mr. Grewal did so. Based on the above, I conclude he did not. While I accept that the Sunrise Motel ceased accepting new Social Services clients as of March 15, 2024, Mr. Grewal has acknowledged that three Social Services clients continued to stay at the Sunrise Motel until March 25, 2024. Moreover, the Sunrise Motel did not receive the final payment from Social Services for these clients until July 17, 2024. This means that the Sunrise Motel continued to be a party to, or beneficially interested, in a government contract until July 17, 2024 – and that pursuant to s. 15(3)(b)(i), Mr. Grewal was participating in government contracts.

For these reasons, I conclude that Mr. Grewal has participated in government contracts through the Sunrise Motel since his election as Member in 2020. However, Mr. Grewal was not aware of the existence of those government contracts, nor could he reasonably have been expected to be aware of their existence until December 15, 2023. At that point, Mr. Grewal was obligated to cease participating in government contracts within 90 days, with that deadline being March 15, 2024. Mr. Grewal did not and continued to participate in government contracts until July 17, 2024. Therefore, Mr. Grewal has breached s. 15(5) of the *Act*.

B. The Thriftlodge Motel Allegations

The second allegation Ms. Conway has advanced against Mr. Grewal concerns his involvement in the Thriftlodge Motel.

Throughout the investigation, counsel for Mr. Grewal has repeatedly argued that my investigation into Mr. Grewal's involvement in the Thriftlodge Motel was misguided. For example, they argued that because Mr. Grewal was a mere creditor of the Thriftlodge, the allegations against Mr. Grewal are “a complete red herring” and are “grossly unfair to Mr. Grewal”.

With respect, Mr. Grewal's argument that being a creditor does not give rise to an interest in the Thriftlodge pursuant to s. 15(3) of the *Act* ignores s. 15(4) of the *Act*. Repeated for reference, that subsection states:

(4) For the purpose of this section, a creditor of a business whose indebtedness was incurred other than in the ordinary course of trade has an interest in that business to the extent of that indebtedness.

This subsection means that any creditor of a business who has incurred an indebtedness “other than in the ordinary course of trade” has an interest in that business to the extent of that indebtedness.

As there is no dispute that Mr. Grewal is a creditor of the Thriftlodge Motel, the question that I must answer is whether the indebtedness was incurred “in the ordinary course of trade”. If it was, Mr. Grewal does not have an interest in the Thriftlodge Motel within the meaning of s. 15(3)(b)(i); if it was not, Mr. Grewal has an interest in the Thriftlodge Motel to the extent of that indebtedness due to the operation of ss. 15(3)(b) and 15(4) of the *Act*.

I find that the loan from Mr. Grewal to the individual who owns and operates the Thriftlodge was not incurred in the ordinary course of trade. Mr. Grewal’s evidence is that he has no business relationship with that individual, and that he advanced this loan because the individual was a member of the community who needed money. This clearly does not constitute an indebtedness that was incurred in the ordinary course of trade. Rather, this was a personal loan. I therefore find that Mr. Grewal has an interest in the Thriftlodge Motel within the meaning of s. 15(3)(b) of the *Act* to the extent of the amount loaned (\$100,000) due to the operation of s. 15(4).

In saying this, I also acknowledge Mr. Grewal’s arguments that he has no involvement in the Thriftlodge Motel’s operations. I agree – I accept that Mr. Grewal is a mere creditor. I accept that Mr. Grewal is not involved in the operations of the Thriftlodge Motel. However, that does not assist him here. The *Act* does not require Mr. Grewal to have any involvement in the Thriftlodge Motel’s operations in order to have a qualifying interest under s. 15(3)(b). The sheer fact that he is a creditor who incurred the \$100,000 loan “other than in the ordinary course of trade” creates an interest through the combination of ss. 15(3)(b) and (4) of the *Act*.

Having determined Mr. Grewal has an interest in the Thriftlodge Motel, I must determine whether the Thriftlodge Motel is a business that “is, or has a right to become, a party to or beneficially interested” in a government contract (s. 15(3)(b)(i)). I conclude it is. As Mr. Grewal has acknowledged, Social Services also places clients at the Thriftlodge Motel. I conclude that this gives rise to contracts between the Thriftlodge Motel and Social Services such that it amounts to a “government contract”. Therefore, because of Mr. Grewal’s interest in the Thriftlodge Motel, Mr. Grewal has participated in government contracts.

Finally, having determined that Mr. Grewal participated in government contracts through his interest in the Thriftlodge Motel, I must consider whether any exceptions apply. Like with the Sunrise Motel, this particularly requires a consideration of s. 17 of the *Act*. As with the Sunrise Motel, I accept that Mr. Grewal genuinely and reasonably did not appreciate that there existed a government contract until December 15, 2023.

Further, and like the Sunrise Motel, I find that Mr. Grewal’s 90 days to cease participating in those government contracts began on December 15, 2023. As of that date, Mr. Grewal knew the nature of his interest in the Thriftlodge Motel, that Social Services was placing clients there and that I considered the same arrangement to give rise to “government contracts” for the Sunrise Motel. Whether Mr. Grewal knew there were government contracts between the Thriftlodge Motel and Social Services or not, he was as of that date

“reasonably expected to have been aware of the existence of the government contract” (s. 17(1)(b)).

I therefore must consider whether Mr. Grewal came into compliance with s. 15(5) by March 15, 2024. I conclude he did not. Mr. Grewal did not divest his interest in the Motel: he did not collect on the indebtedness owing to him, or otherwise abandon the outstanding loan. Nor did Mr. Grewal make any efforts to stop the Thriftlodge Motel from accepting Social Services clients. While I accept that this would be practically difficult given Mr. Grewal’s status as a creditor, the fact remains that he had an obligation to come into compliance with s. 15(5) within 90 days of December 15, 2023. He did not do so.

For these reasons, I conclude that Mr. Grewal has participated in government contracts through the Thriftlodge Motel since his election as Member in 2020. However, Mr. Grewal was not aware of the existence of those government contracts, nor could he reasonably have been expected to be aware of their existence until December 15, 2023. As of December 15, 2023, Mr. Grewal had sufficient knowledge that he reasonably could be expected to be aware of their existence. Therefore, at that point, Mr. Grewal was obligated to cease participating in government contracts within 90 days, with that deadline being March 15, 2024. Mr. Grewal did not. I therefore find that Mr. Grewal has breached s. 15(5) of the *Act*.

IX. OPINION

Based on the above, it is my opinion that Mr. Grewal has breached s. 15 of the *Act* with respect to both the Sunrise Motel and the Thriftlodge Motel. In summary:

- 3) with respect to the Sunrise Motel, Mr. Grewal contravened s. 15(5) of the *Act* by participating in government contracts from March 15, 2024, to July 17, 2024; and
- 4) with respect to the Thriftlodge Motel, Mr. Grewal contravened s. 15(5) of the *Act* by participating in government contracts from March 15, 2024, to July 31, 2024.

With respect to the Sunrise Motel, I acknowledge that Mr. Grewal largely complied with the 90 day period in s. 17(1). Mr. Grewal directed the Sunrise Motel to stop accepting new Social Services clients before the expiry of the 90 day period on March 15, and I accept that the Sunrise Motel ceased doing so. I also accept that Mr. Grewal allowed Social Services clients to stay at the Sunrise Motel until March 25, 2024, out of a desire not to evict these vulnerable individuals from where they were residing. However, and as set out above, he continued to participate in government contracts until July 17, 2024, when the final Social Services payment was received. This still amounts to a breach of s. 15(5).

The circumstances are different with the Thriftlodge Motel. Unlike with the Sunrise Motel, Mr. Grewal took no steps to come into compliance with s.15 of the *Act* within the 90 day period. Mr. Grewal did not take steps to collect on the loan and remains a creditor of the Thriftlodge Motel to this date. Moreover, Mr. Grewal took no steps to ensure that the Thriftlodge Motel would cease participating in government contracts. While I accept that

taking such steps would be difficult (if not impossible) given that Mr. Grewal is not involved in the operations of the Thriftlodge Motel, it was thus incumbent on Mr. Grewal to divest himself of his interest in that Motel. He did not.

Having concluded that Mr. Grewal has contravened s. 15 of the *Act*, I must then consider s. 31(1) of the *Act*. That subsection empowers me to make recommendations to the Assembly for consideration:

Penalties

31(1) Where the commissioner conducts an inquiry for the purposes of subsection 30(1) and finds that the member has contravened any provision of this Act, the commissioner may recommend in the report that is laid before the Assembly:

- (a) that the member be ordered to comply with the Act on those terms and conditions the Assembly considers appropriate;
- (b) that the member be reprimanded;
- (c) that the Assembly impose a fine on a member in an amount determined by order of the Assembly;
- (d) that the member be suspended; or
- (e) that the member's seat be declared vacant.

Given that Mr. Grewal is now a "former member", I decline to make any recommendation with respect to penalty. In particular, I note that the penalties in s. 31(1)(a), (d) and (e) do not appear to be available given that Mr. Grewal is no longer a member of the Assembly. I instead choose to leave the matter of appropriate penalty to the Assembly for determination pursuant to s. 31(3)(b).

Dated at the City of Regina, in the Province of Saskatchewan, this 21st day of October, 2024.



The Honourable Maurice Herauf, K.C.
Conflict of Interest Commissioner
for the Province of Saskatchewan

