

OMBUDSMAN OF BRITISH COLUMBIA

Special Report No. 2

to

*The Legislative Assembly
of British Columbia*

THE LOTTERIES CASE



June 16, 1981

The Honourable Harvey W. Schroeder
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, B.C.

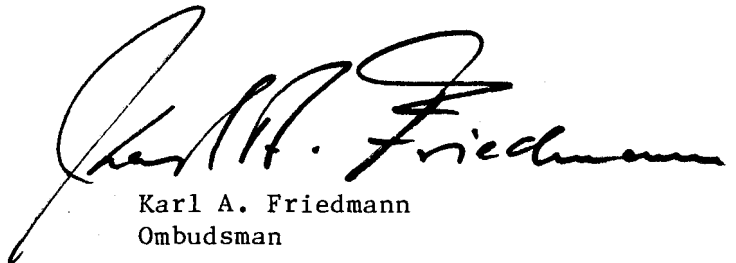
Mr. Speaker:

I have the honour to submit herewith a report to the Legislative Assembly, pursuant to section 30(2) of the Ombudsman Act, R.S.B.C. 1979, chapter 306.

The report concerns a complaint I received about the administrative procedures followed by the Ministry of Provincial Secretary and Government Services in assessing applications for direct grants from the Lottery Fund, my investigation of this complaint, and the recommendations I made to that Ministry as a result of my investigation. I have also appended to this report my correspondence with the Ministry of Provincial Secretary and Government Services and other related documents.

All of which is respectfully submitted.

Yours sincerely,



Karl A. Friedmann
Ombudsman

OMBUDSMAN OF BRITISH COLUMBIA

SPECIAL REPORT #2

TO

THE LEGISLATIVE ASSEMBLY OF BRITISH COLUMBIA

AN INVESTIGATION BY THE OMBUDSMAN

INTO A COMPLAINT

ABOUT THE ADMINISTRATION OF

THE LOTTERY FUND

June 16, 1981

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I INTRODUCTION

Since the Lottery Act was passed in 1974, lotteries have brought many millions of dollars of revenue to the Province -- more money, perhaps, than was originally anticipated. In that time the Ministry of the Provincial Secretary and Government Services has awarded over \$50 million to various people and groups as grants from lottery revenues. This report is about my concerns with the administrative procedures used in the distribution of those grants.

While lottery sales in British Columbia are widely publicized, the disposition of lottery revenues has neither as high nor as well defined a profile. There have been television advertisements to tell us that lottery funds help train volunteer firefighters, or assist in the cultural development of the children of British Columbia; but it was not until 1979 that the Ministry released any detailed listing of the specific projects which had been assisted by lottery revenues.

As the result of a complaint I received about the Ministry's rejection of an application for lottery funds, I investigated the Ministry's procedures for considering and awarding lottery grants. I found a system which appears to have grown like Topsy, rather than having been a child conceived with forethought and reared according to predetermined principles. I found that the criteria used to

award grants were poorly defined, poorly publicized and inconsistently applied, and I found that insufficient detail was provided to the public about the disposition of lottery revenue.

The Ministry's attitude toward lottery funds appears to be typified by comments in which Ministry staff pointed out that lottery revenue was not tax dollars and that its purpose was to give money where the Government would not normally give money. For this reason Ministry staff claimed it was difficult and undesirable to formulate strict guidelines, and instead indicated a preference to operate with only very general guidelines which would permit consideration of a wide variety of projects.

When viewed in the context of the Government's overall budget or expenditures, \$50 million may not seem like a lot of money; but it is a significant amount, and the public should be entitled to expect that it will be properly administered and managed. I consider the present administrative procedures of the Ministry in this area to be unacceptable, primarily because they allow decision makers too much discretion with inadequate guidance and inadequate public accountability. Such circumstances increase the likelihood that decisions respecting awards from lottery revenues will be made or will be perceived to have been made in an arbitrary and unfair manner.

I made several recommendations to the Ministry intended to make its procedures conform to modern standards of accountability and principles of administrative fairness. The Ministry either could not or would not implement these recommendations. I then made a report on the matter to the Lieutenant Governor in Council, but after waiting four months, I received a response which I can only interpret as a refusal to implement the more important of my recommendations.

Thus I am making this report to the Legislative Assembly under Section 30(2) of the Ombudsman Act, R.S.B.C. 1979, c.306. I consider it to be in the public interest that Members of the Legislative Assembly be made aware of the deficiencies which I have noted and of the steps which I have recommended to remedy those deficiencies.

II BACKGROUND

In October 1979, I received a complaint from the Downtown Eastside Residents' Association (DERA) about the Lotteries Branch of the Ministry of Provincial Secretary and Government Services. The complaint was that the Lotteries Branch had discriminated against DERA by denying the organization a grant from lottery funds.

DERA's complaint is important not so much in its detail as in the information it reveals about the Ministry's administration of lottery revenues. For that reason this section consists only of an overview of the DERA complaint intended to demonstrate the types of problems raised by the existing procedures for administering lottery revenues. Further details of the DERA complaint and of the results of my investigation of the complaint can be found in the appended correspondence.

DERA had applied for a lottery grant to fund three community workers. The application was submitted on behalf of DERA by Mr. Gary Lauk, M.L.A. for Vancouver Centre, on February 19, 1979, and the Ministry acknowledged receipt of the submission about a week later.

There was no further correspondence between the Ministry and DERA until June 25, 1979, when the Deputy Provincial Secretary wrote to DERA advising:

"The making of grants from Lotteries revenue is governed by guidelines and, at present, they preclude the Government from acceding to your request."

There had been no previous communication from the Ministry advising DERA that guidelines existed, and clearly the Ministry's letter of June 25th gave little information regarding the basis for rejecting DERA's application.

When DERA sought clarification, the Deputy Provincial Secretary stated that the application had been rejected because it was for operating expenses. He also advised DERA that in assessing applications for grants from lottery funds...

"...preference in approving grants is normally given to:

- (a) projects of a one-time nature
- (b) projects of wide community appeal and interest
- (c) projects of a type not normally funded in other Government programmes."

DERA's complaint to me was that the Lotteries Branch had discriminated against DERA in rejecting its application. DERA charged that the Branch had invented the guidelines after DERA had

applied for the grant, and had done so for the purpose of denying DERA's application. DERA further took the position that although the Branch had rejected its application on the grounds that lottery grants were not awarded for operating expenses, other groups had applied for - and had been awarded - grants for operating expenses.

After investigating the matter, I concluded that DERA was partly correct and partly incorrect in its accusations. I found that DERA was incorrect in believing that the Ministry had invented the guidelines for the purpose of rejecting DERA's application. There is evidence that the guidelines existed in a written form in January 1979 (i.e. before DERA made its application), although the Ministry did not make it a practice to send written guidelines to prospective applicants until March 1979.

I concluded that DERA was correct in its position that other groups had received grants from lottery revenues for operating expenses. The Branch had made exceptions to its guideline regarding operating expenses and one-time grants both before and after DERA's application. My staff identified ten such exceptions between January 12, 1979, and February 4, 1980.

I also concluded that the Ministry had not provided DERA with adequate reasons for the rejection, and further that the Ministry had delayed unduly in advising DERA of its decision to reject the application. On this latter point, it should be noted that some four months had elapsed between the application and its rejection. Ministry staff have suggested that the delay might have resulted from the Minister's inability to consider the matter due to commitments associated with the 1979 Provincial election. However, file documentation indicates that the matter was discussed with the Minister within a month of receipt of the application; because of this I considered it unreasonable that the Ministry should have delayed a further three months before communicating its decision to DERA.

In short, I found that the Ministry did have guideline reasons for rejecting DERA's application; but I also found that the Ministry had made exceptions to that guideline for other groups, and could not adequately explain why exceptions were made in other cases and not in DERA's case. Under the circumstances, I could not determine with certainty whether or not improper discrimination had been instrumental in the Ministry's decision to reject DERA's application.

I did, however, conclude that the administrative procedures followed by the Ministry in considering DERA's application were unfair. Moreover, the difficulty of deciding the merits of this complaint led directly to questioning the sufficiency and appropriateness of the administrative procedures used by the Ministry in adjudicating applications for lottery grants, and to my proposing changes in those procedures.

As required by the Ombudsman Act, I advised the Ministry of my preliminary findings and of the recommendations which I was considering. The Ministry's response provided information and clarification on some points, and presented the Ministry's position on others. After considering that response and additional information obtained through staff meetings, I advised the Ministry of my final conclusions and recommendations on November 26, 1980. (These documents are attached as Appendix A).

My final recommendations included proposed changes in the Ministry's administrative procedures intended to correct the problems I had noted. The Ministry's response (December 10, 1980) expressed appreciation for the work we had done and indicated that the Ministry was in the process of reviewing its guidelines. However, it had little to offer in the way of firm commitments to implement

my recommendations; I advised the Ministry that I considered the response inadequate, and requested more specific commitments. After an exchange of correspondence the Ministry agreed to take steps to implement one of my recommendations, but it became clear that it was either unwilling or unable to implement the more important of my recommendations. (These documents are attached as Appendix B).

On February 4, 1980 I submitted a report of the matter to the Lieutenant Governor in Council, as provided for under Section 24(1) of the Ombudsman Act, with a request that the necessary steps be taken to implement my recommendations. Four months later, the Provincial Secretary and Minister of Government Services replied on behalf of the Lieutenant Governor in Council. He advised of certain administrative changes which had taken place as a result of my investigation, but he refused to implement other changes which I consider to be imperative. I have attached my report and the Minister's response as Appendix C.

I consider the matter an important one, and for that reason I feel compelled to draw it to your attention. I consider the administrative procedures currently in effect to be sufficiently lax as to leave the Ministry open to possible charges of abuse of its administrative function without providing any proper means of either proving or disproving such charges.

III INADEQUACIES OF CURRENT PROCEDURES

DERA's complaint and my investigation of it revealed the following inadequacies in the administrative procedures followed in adjudicating the DERA application:

- i) The applicant was not supplied with information about the guidelines used by the Ministry at the time of application.
- ii) The guidelines which were supplied after the rejection of the application were both unclear and incomplete. There is no indication as to whether an applicant must satisfy one, or all three, of the criteria, nor is there information about other types of projects which the Ministry will not fund.
- iii) The Ministry did not provide adequate reasons for rejecting the application.
- iv) The Ministry did not apply its own guidelines consistently. It is clear that exceptions were made, but it is not clear as to why they were made, nor why an exception was not made in this case.
- v) There was unreasonable delay in the communication of the Ministry's decision to the applicant.
- vi) The Ministry does not supply the public with sufficient information regarding the distribution of lottery funds.

Some of these problems (e.g. delay) appear to be specific to the DERA application, but most are indicative of general inadequacies in the Ministry's procedures for administering lottery funds. As I will discuss in a later section, the Ministry has taken some steps to improve its administrative procedures, but significant

deficiencies still remain. In the following sections I will address these inadequacies and explain the recommendations which I had made to resolve them.

A. Criteria for Distribution of Lottery Revenues

The Ministry is empowered to conduct and manage lotteries by the Lottery Act, R.S.B.C. 1979, c.249. This Act provides fairly broad discretion with respect to the disposition of funds obtained through lotteries; it states that lottery funds may be...

"paid out for cultural or recreational purposes or for preserving the cultural heritage of the Province or for any other purpose consistent with the objects of the Western Canada Lottery Foundation."

The objects of the Western Canada Lottery Foundation are similarly broad; its Letters Patent state that the Foundation may use lottery funds for...

"objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional, sporting, recreational, social welfare, civic improvement, educational, environmental or conservational nature and to purchase, establish, develop, maintain and operate facilities, programs and services used or useful in connection therewith..."

Thus the range of purposes for which lottery funds may be used is very wide.

Initially, revenues from lotteries were distributed as bulk grants to a number of special purpose funds: Physical Fitness and Amateur Sport Fund, British Columbia Heritage Trust, British Columbia Cultural Fund, Health Care Research Foundation, and Special Events Fund. These special purpose funds then redistribute the monies to specific projects.

In late 1977 the Ministry decided to expand its granting program to provide for direct grants from lottery revenues. It would appear that for some time the Ministry made direct grants without the benefit of written criteria to guide the disposition of such funds. Discussions with those responsible for the administration of the program at the time have indicated that decisions had been made to fund certain types of projects and not others, but that these were oral decisions, and were not formalized in a written form until somewhat later. The earliest date for which I was able to obtain evidence that the guidelines existed in a written form was January, 1979.

From that date on, various versions of the same three criteria were provided to those seeking information about the types of projects which could be funded. In March 1979 the Ministry began sending out a statement of these three criteria with application forms when

information was requested. In October 1979 the Ministry elaborated on its guideline statement to indicate that projects of a one-time nature excluded projects for which operating expenses were requested.

In my correspondence with the Ministry I had commented on the fact that I considered this guideline statement ambiguous (e.g. it does not state whether applicants must satisfy one or all three of the requirements) and incomplete (discussions with Ministry staff had indicated the Ministry would not award grants for team buses or playground equipment, etc.). The Ministry then revised its guideline statement and included information on projects and groups which are not funded. I understand that Members of the Legislative Assembly were provided with a copy of this revision in January, 1981; the Ministry also provided information on these revised guidelines in its most recent news release. (Appendix D consists of the October 1979 guideline statement, the January 1981 revision, and the March 1981 news release.)

Undoubtedly these measures indicate progress, just as progress was indicated when the Ministry first committed its guidelines to writing in 1979, but I do not consider it satisfactory. It is clear that the criteria for the disposition of lottery funds are being developed on an ad hoc basis, but despite the changes the existing

guidelines continue to be vague and ambiguous. In my view this is unacceptable; it leaves a wide range of opportunities for arbitrary and idiosyncratic award decisions; it indicates that there is little overall planning or policy development regarding the role to be played by lottery funds; and it makes it difficult to evaluate how well or how poorly these funds are being managed.

B. Application of Criteria

Currently, lottery applications are considered by the Minister, an Assistant Deputy Minister and a Ministry staff member. Often, applications are referred to other Ministries or to existing advisory committees for additional information on the applicant or on similar programs, or for advice as to disposition. On an infrequent basis applications may be referred to Cabinet for decision, although this apparently happened more frequently in the early stages of the program.

As I mentioned earlier, my staff found ten examples of applications for which exceptions from the Branch's guidelines had been made both before and after DERA's application. Discussions of these exceptions with Ministry staff revealed a variety of reasons as to why the exceptions had been made, but did not reveal any general

principle regarding the circumstances under which exceptions were to be made. Without such a general principle, the decision to allow or not to allow an exception is left entirely to the discretion of those considering the application; it also leaves those considering the application open to charges of bias and discrimination (as in the case of DERA's complaint) and of the application of arbitrary procedures without the support of a guiding principle to make and defend their decision.

Despite this, the Minister indicated, in his June 8, 1981 response, that he intended to retain the existing administrative structure, with senior Ministry officials making recommendations regarding direct lottery grants, and with final decision making responsibility resting with the Minister. I do not think this is wise; it is clear that with the existing administrative structure there have been inconsistencies in the application of guidelines in the past; and in my view the current guideline statement does not provide adequate guidance with respect to the granting of exceptions. Perhaps even more importantly, I consider it unacceptable that the Ministry retain an administrative structure which is such that charges of bias and arbitrariness can so easily be made.

C. Public Information About Disposition of Funds

Until January of 1979, the Ministry had released no detailed accounting of the disposition of lottery funds although lotteries had been operational since 1974. The January 1979 release provided information on all awards made from January 1975 to December 1978 through both bulk grants (i.e. B.C. Cultural Fund, B.C. Heritage Trust, etc.), and direct grants from lottery revenues.

Since then the Ministry has released a series of reports for 3 to 5 month periods. In some cases the bulk grants are easily separated from the direct grants; in other cases (e.g. the release covering the period April 6 to July 16, 1979) it is difficult to determine which awards were made through the bulk grants, and which were direct grants. Also, the Ministry appears to have discontinued its practice of listing in detail the awards from the bulk grants as it did in its first two releases.

Because of the manner in which information regarding the disposition of lottery funds is made available to the public, it is difficult to determine how much money the Ministry has distributed in the form of direct grants, and what proportion this represents of total funds distributed for any specific period. In Appendix E I have attempted

to summarize data from the Ministry's news releases to provide such information. I have also included a copy of the news release for the period April 6 to July 15, 1979.

As can be seen, from 1975 to 1980 the Ministry awarded over \$50 million in grants from lottery funds, and almost half of this constituted direct grants.

Ministry officials have a responsibility to account for their management of lottery funds, and to do so in a fairly comprehensible manner. In my view this requires that the details of both direct and bulk grants be a matter of public record, and that this detail include the amount and purpose of each award, including those individual awards made under each bulk grant.

IV LOTTERIES ADVISORY COMMITTEE

Section 3 of the Lottery Act provides for the establishment of a Lotteries Advisory Committee with powers to advise and assist the Minister in the administration of the Act or in matters respecting the conduct of lotteries. Such a Committee may be established, and its members appointed at the discretion of the Lieutenant Governor in Council. The Lotteries Advisory Committee has never been established; instead decisions respecting applications are almost solely the responsibility of the Minister and two of his officials.

In my view the Lotteries Advisory Committee would have been a logical, proper, and preferable choice to assume responsibilities for the development and application of guidelines for the disposition of lottery funds. I consider the existing decision-making system to be improper, particularly when coupled with the lack of clear and widely publicized criteria for assessing applications, for it increases the likelihood that decisions on applications will be made or will be perceived as having been made in an arbitrary and unfair manner.

I had recommended that the necessary steps be taken to establish the Lotteries Advisory Committee, and that this Committee be given

responsibility for establishing clear and comprehensive criteria for the distribution of lottery funds. I had also recommended that a working group of the Lotteries Advisory Committee be given responsibility for the implementation of the newly established criteria.

The Minister, responding on behalf of the Lieutenant Governor in Council, stated:

"If such a committee is established the section automatically prescribes certain duties to it which are quite broad respecting the conduct and administration of lotteries in the Province. In this regard, we are ably represented by senior Ministry staff on both the Western Canada Lottery Foundation and the Interprovincial Lottery Corporation, therefore, I have decided not to recommend to the Lieutenant Governor in Council that a Lotteries Advisory Committee be established at this time."

I do not think that the fact that the Committee would have legislated duties constitutes a reason for not establishing such a Committee, and as I have indicated I do not think that the existing administrative structure has served well in the past.

I consider it improper that the administration of lottery funds be such that decisions on applications might be viewed as purely a matter of Ministerial discretion. I consider it important that a properly constituted body be responsible for the establishment of

criteria to guide the distribution of such funds and for the implementation of those criteria. The existing legislation allows for the establishment of a Lotteries Advisory Committee which could assume these functions, and I consider it essential to open and proper public administration that such a Committee be established.

V RECOMMENDATIONS

On the basis of my investigation of this complaint, I made the following five recommendations:

1. The procedure for setting the guidelines for the granting of lottery monies should be formalized. I recommend that this be accomplished through the appointment of the Lotteries Advisory Committee pursuant to Section 3 of the Lottery Act, R.S.B.C. 1979, c.249. This body should then be assigned responsibility for establishing appropriate guidelines.
2. The guidelines envisioned in Recommendation 1 must conform to principles of administrative fairness.
 - They must include a clear statement of the goals and objectives of the program; the Ministry is accountable to the Legislature for its exercise of governmental authority, and without a clear statement of goals and objectives, the Legislature is not in a position to evaluate the manner in which the Ministry exercises its authority.
 - The guidelines, and the decisions flowing from those guidelines, must be based on principles which are identified and articulated. If there are to be exceptions, they must be made only for specific and stated reasons.
3. The guidelines must be adequately publicized and easily understood by the public. It is important that the public be provided with specific information on the parameters within which the grant program operates, both as a means of assisting in the preparation of better grant applications and as a means of advising the public about the uses to which lottery funds are put. At a minimum, these guidelines should be forwarded along with every application form distributed.
4. The guidelines should be applied firmly and equitably to all applicants. It is recommended that the Lotteries Advisory Committee establish an ongoing working group charged with responsibility for deciding applications for lottery grants according to the guidelines as established by the Lotteries Advisory Committee.

5. The amount and purpose of each grant made should be a matter of public record. Similarly, details of the final disposition of the bulk grants (e.g. those to the B.C. Cultural Fund) should also be a matter of public record.

The Ministry agreed to implement the fifth recommendation; however, I have noted that in its most recent news release (March 12, 1981) the details of the awards from the bulk grants are not provided. The Ministry has, as I indicated earlier, listed the additional guidelines it has been using to assess applications, and it has insisted that it is applying its guidelines in a fair and equitable manner.

I do not question the fact that the administration of lottery funds is better now than it was in 1974, or in 1978. My point is that it is still woefully inadequate and needs more than minor revisions. Significant administrative changes are necessary to bring about a situation in which you, as Members of the Legislative Assembly, and the general public, have adequate information on the purpose of lottery funds, the criteria used to distribute monies from the fund, the consistency with which these criteria are applied, and the projects and groups receiving such awards. Without this information neither you, nor I, nor the general public are in a position to determine whether or not the Fund is being managed according to principles of accountability and administrative fairness. I consider this unacceptable, and I respectfully seek your assistance in correcting it.

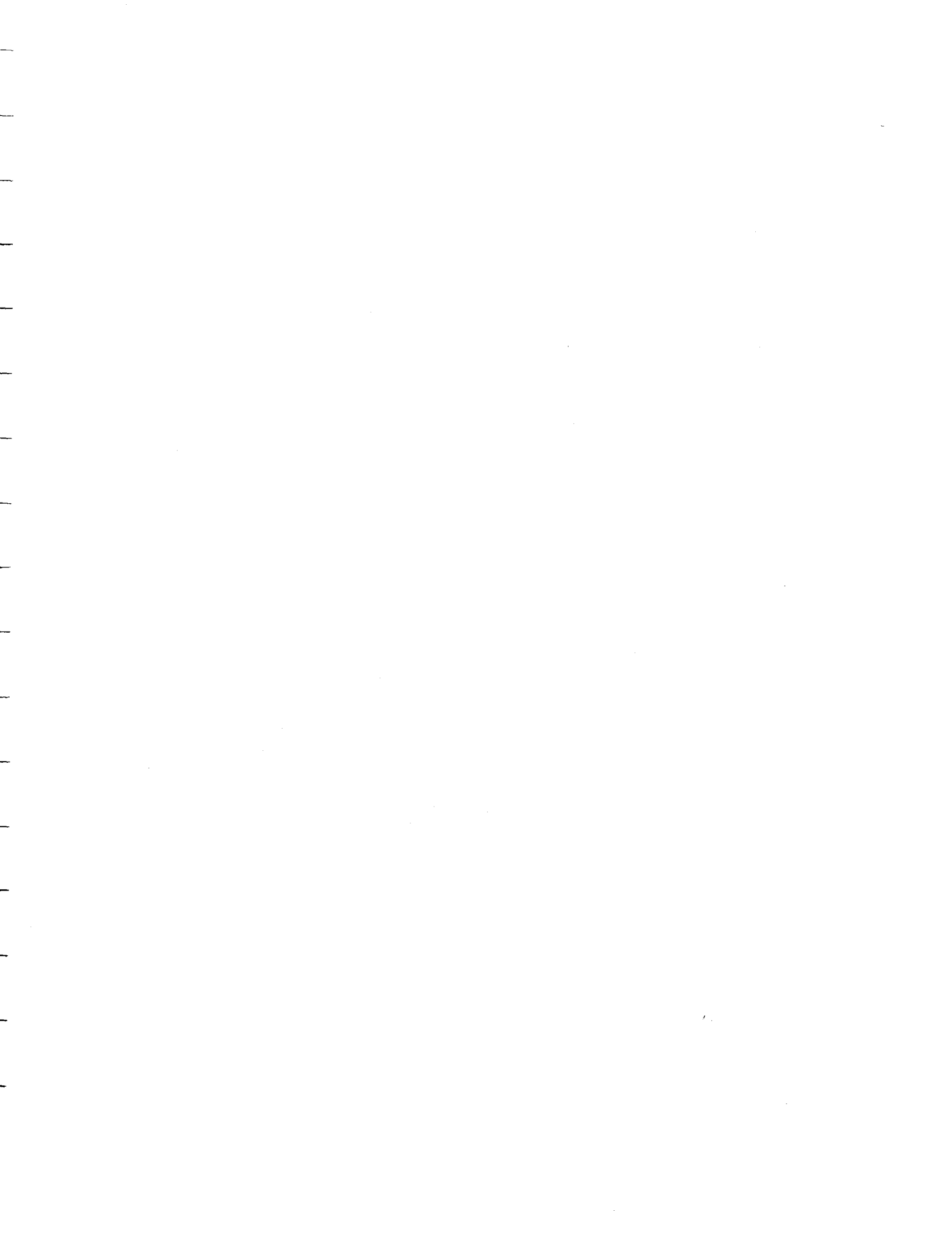




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- B. Correspondence Regarding Implementation of Recommendations
- C. Report to Lieutenant Governor in Council
- D. Information on Guidelines for Grants from Lottery Fund
- E. Information on Direct and Bulk Grants from Lottery Fund

APPENDIX A

Preliminary and Final Report of Investigation

- A.1 Preliminary Findings and Proposed Recommendations, August 14, 1980
- A.2 Letter from Ministry to Office of the Ombudsman, October 9, 1980
- A.3 Letter from Ministry to Office of the Ombudsman, November 6, 1980
- A.4 Final Report and Recommendations, November 26, 1980



Legislative Assembly
of British Columbia

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Ombudsman

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14 August, 1980

Mr. Gerald H. Cross, Deputy Minister,
Ministry of the Provincial Secretary
and Government Services,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

Dear Mr. Cross:

RE: Downtown Eastside Residents' Association's
Application for a Lottery Grant

On November 11, 1979 you were advised of my intention to investigate a complaint that my office had received from the Downtown Eastside Residents' Association (hereafter "DERA"). They alleged that the Lotteries Branch had unfairly discriminated against them by denying them a lottery grant. They complained that there were no guidelines in existence at the time of their application, that the guidelines were invented after their application, and that other groups, according to published figures, were obtaining grants for salaries. They also claimed to have met the purported guidelines.

In the course of my investigation, I have considered the following issues.

1. Were adequate reasons given for the decision to deny DERA a grant?
2. Was there unreasonable delay in reaching this decision?
3. Was DERA unfairly denied a grant?

I am now nearing completion of my investigation and wish to provide you with the opportunity to make representations, pursuant to Section 16 of the Ombudsman Act, R.S.B.C. 1979, c. 306, prior to making a final recommendation to you.

The results of my investigation are set out in five areas: our investigative steps, the findings of facts, the applicable law and administrative policy, the grounds for making a recommendation and possible recommendations to resolve the complaint.

A. INVESTIGATIVE STEPS

1. The Lottery Branch file on the DERA application was reviewed.
2. An initial meeting was held with Mr. Ray Orchard, Coordinator of the Lotteries Branch. He informed us that decisions on individual grants are made by a Committee of three persons within the Ministry, including the Minister, the Hon. Evan M. Wolfe; Mr. Jerry Woytack, the Assistant Deputy Minister; and Mr. Ray Orchard. He also indicated that grants are not given for salaries, publications, operational expenses, individual applicants, team buses or commercial operations. These guidelines had been developed over time but were not written down or publicized.
3. Mr. B. Eriksen from DERA was interviewed.
4. We reviewed Lottery Branch files to determine if other applications has been rejected on the same basis, and also to determine whether exceptions to these guidelines were made.
5. The Western Canada Lottery Foundation was contacted and its annual reports were reviewed.
6. The lottery organizations in the other three Western provinces were examined. Telephone conversations were held with a representative of each of these participants in the Western Canada Lottery Foundation.
7. The Auditor-General was contacted and her role in monitoring the grants was discussed. She informed us that she audited all grants made to see if they conformed with the broad guidelines provided for in the Charter of the Western Canada Lottery Foundation. She does not look at rejected applications, nor does she review the successful ones to determine whether they conform with the internal guidelines.
8. The public announcements on guidelines and media reports during the past ten years were reviewed. This revealed that little or nothing had been released to the public about the policy of the Lotteries Branch. In particular the internal guidelines have not been disclosed.
9. Mr. Ted Semmens, former Coordinator of the Lotteries Branch, was contacted.

10. The report of the Manitoba Lotteries Review Committee of January 1979 was examined.
11. We obtained and reviewed copies of the interprovincial agreements for lotteries.

B. FINDINGS OF FACT

1. Mr. B. Eriksen on behalf of DERA wrote to Mr. Gary Lauk, M.L.A., and requested him to apply for a lottery grant for DERA (no date on letter).
2. On February 19, 1979, Mr. Lauk wrote to the Hon. Hugh Curtis enclosing an application for \$36,288.00.
3. On June 25, 1979, you wrote to Mr. Eriksen informing him that the guidelines prevented the giving of the grant. The guidelines were not specified.
4. On June 29, 1979, Mr. Eriksen replied to you and complained that he had never seen the guidelines. He was informed of the specific guidelines in subsequent telephone conversations with Mr. Orchard.
5. On July 16, 1979, Mr. Eriksen again wrote to you about his various telephone conversations (with Mr. Ray Orchard) regarding the guidelines, and complained further about these guidelines which in his opinion were too vague. The letter was also a re-application for funding.
6. On July 24, 1979, a letter from your office rejected the renewed application and stated that at the time of DERA's first application, no application forms or formal procedures existed; that the guidelines were not published but were available on request; and that three categories of projects were given preference including those of a one-time nature, those of wide community interest and appeal, and those which are not normally funded by other government programmes.
7. The reason given for refusing to fund DERA was that the money was to be used to provide salaries and therefore was for operating expenses.

C. LAW AND ADMINISTRATIVE POLICY

1. The Lottery Act, R.S.B.C. 1979, c. 249 provides in Section 3 that the LGIC may establish a Lotteries Advisory Committee. Section 5(e) provides that the Minister may delegate to the Committee any power and authority necessary or advisable to assist in the administration of the Act. A Committee has never been established by Order in Council.

The Lottery Fund is established in Section 6 as a fund in the Provincial Treasury and Section 7 outlines the five purposes for which money may be paid out of this fund as follows:

- i) To repay the consolidated revenue fund for an advance made under Section 6;
 - ii) Cultural purposes;
 - iii) Recreational purposes;
 - iv) Preserving the cultural heritage of the Province;
 - v) Any other purpose consistent with the objects of the Western Canada Lottery Foundation.
2. Under the Federal Charter incorporating the Western Canada Lottery Foundation, Article III of the Letters Patent provides that the objects of the Corporation are:
- (i) To carry out objects of a cultural or sporting character;
 - (ii) To provide services respecting the conduct of a lottery scheme subject to any law enacted by a provincial legislature, and
 - (iii) To carry on without pecuniary gain to the members, objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional, sporting, recreational, social welfare, civic improvement, educational, environmental or conservational nature and to purchase, establish, develop, maintain and operate facilities, programs and services used or useful in connection therewith.
3. The Interprovincial Agreements do not deal with grant guidelines.
4. The administrative policy setting the present guideline was apparently developed by oral tradition and on an ad hoc basis. There are certain types of projects for which grants are not made, but the guidelines are not published anywhere.

There are two kinds of grants made:

- Primary Grants where the applicant is funded directly, and,
- Secondary Grants where the money is first given to one of five programs which then dispenses the funds to the individual applicants.

D. GROUNDS FOR RECOMMENDATIONS (OR FINDINGS)

As outlined above DERA's complaint involved several issues. At this point, it is my tentative conclusion that part of DERA's complaint has not been substantiated.

- the guidelines were in existence prior to DERA's application but they were unpublished - they were not created later to exclude DERA specifically.
- other groups were obtaining funding for salaries but there is a distinction to be drawn between the salaries of workers engaged for a one-time capital project and the salaries of workers in ongoing community services.

It is also my tentative conclusion that part of DERA's complaint has been substantiated for the following reasons:

1. DERA's application falls within the scope of the Western Canada Lottery Foundation Charter guidelines and within s.7 of the Lottery Act.
2. Although an internal guideline of the Lotteries Branch precluded the use of lottery funds for operating expenses, exceptions are frequently made to this guideline for worthy causes. Examples of these exceptions include the grants listed below all of which appear to include operating expenses and some of which include funding for staff salaries as did the DERA application.

i) Vancouver YWCA

- January 12, 1979 \$15,000
- a grant was approved to "help defray the expenses of a mastectomy information program."
- the budget indicates that part of the grant was to cover the salary of a YWCA staff person for research purposes.
- the grant was subsequently listed as one for a "mastectomy program - rehabilitation program" in your press release.

ii) Victoria Society for the Recreation of Handicapped Persons.

- March 9, 1979 \$17,000
- January 9, 1980 \$10,000
- the application form clearly indicated that the funding was for operating expenses and these included staff salaries.
- in the first year an exception was made on the grounds that the society was phasing out its operation.
- a further exception the following year was made on the basis of an "emergency situation."
- no indication was given in your press releases as to the purpose of the grants.

iii) YWCA - YMCA of New Westminster

- March 28, 1979 \$52,290.00
- the funding was to assist with a cardiac rehabilitation program and to cover the salary of a part-time testing cardiologist and the purchase of some equipment.
- the press release lists the grant as a "Cardiac Rehabilitation program."

iv) Canadian Deaf, Blind and Rubella Association of Vancouver.

- March 30, 1979 \$18,961.00
- May 12, 1980 \$29,586,00
- the funds were to be used to operate a summer program for children and the expenses included the salaries of student employees.
- the initial exception seems to have been made because the project was considered "most worthwhile"
- the second exception was made on the ground of "special circumstances."

- the press release indicates the funds were to be used for a "summer program."
- v) Association for the Mentally Handicapped of Campbell River
 - August 31, 1979 \$4,800.00
 - the funding was to be used for a summer program and in part to cover the salaries of student employees.
 - the press release refers to the project as a "summer program."
- vi) B.C. "Y" Council, Victoria
 - October 31, 1979 \$25,000.00
 - this grant is unique in that the amount covered only the first phase of an ongoing project and there was a commitment for further grants of \$15,000 and \$10,000. i.e. a three year plan to provide full-time staff support.
 - the press release refers to this grant as intended to "expand programs"
- vii) Committee for the Hearing Impaired and Language Delay of Powell River
 - December 13, 1979 \$2,500.00
 - the funding was to be used for the salary of a teacher for the hearing impaired.
 - the exception was made for "unusual circumstances"
 - the press release indicates that this was for a "summer program"
- viii) Handicrafts by Homebound Handicapped, Vancouver
 - December 14, 1979 \$12,000.00
 - the funding was intended to permit the continued operation of the group and in part covered salaries.
 - the exception was made because of the "serious situation"
 - this grant was not listed in the press releases.

- ix) Stroke Association of B.C., Vancouver
 - December 21, 1979 \$75,000.00
 - the funding was to be used for a review of certain experimental programs and for the use of fifteen stroke clubs whose expenses included salaries (speech-therapist and part-time coordinator)
 - the press release indicates that the grant is intended to "expand Province-wide program"
- x) North Shore Family Services Society, North Vancouver.
 - February 4, 1980 \$324.00
 - this grant was to provide interim funding to cover the salaries of two part-time employees of a drop-in centre (coordinator and playroom supervisor)
 - the press release refers to this as a "pre-school program"

I wish to emphasize here that I do not at all question the value of these programs listed above or the decision to make an exception from the general rule. In fact I am of the opinion that a way should be found to finance worthy projects such as these but in a manner that would allow any rules to be applied consistently.

- 3. The lottery guidelines for funding were not published and therefore the public had little knowledge of them. This leads to the impression that decisions on applications are made arbitrarily.
- 4. There was unreasonable delay in making the decision on DERA's application (or in communicating that decision to DERA).
- 5. The Lotteries Branch failed to give adequate reasons for refusing to make an exception to the guidelines on behalf of DERA as they did for other worthy projects.

E. POSSIBLE RECOMMENDATIONS

On the basis of the above, pursuant to section 22 (2) of the Ombudsman Act, R.S.B.C., 1979, c.306, which provides that the Ombudsman may recommend that a practice, procedure or course of conduct be altered or that any other step be taken, I am considering the following recommendations:

1. The procedure for setting the guidelines for the granting of lottery monies should be formalized. One possibility, and the most desirable alternative, would be the appointment of the Lotteries Advisory Committee pursuant to section 3 of the Lottery Act, R.S.B.C., 1979, c.249. This group would then be responsible for establishing firm guidelines and revising such guidelines from time to time as appropriate.
2. The guidelines should be clear and they should be widely publicized. They should also be forwarded along with every application form distributed.
3. In the interest of fairness to all, these guidelines should be applied firmly and equitably to all applicants.
4. The distribution of lottery proceeds should be the responsibility of an independent organization operating along the guidelines as established by the Advisory Committee. This would follow the precedent of other Western provinces.
5. The amount and purpose of each grant made should be reported to the public. This report should also include details of the final disposition of the bulk grants.
6. The amount requested and intended purpose of rejected applications should also be reported to the public. Names could be deleted, if the applicant so wished, for confidentiality.
7. In view of the many recent exceptions made to the guidelines, DERA's application should be reconsidered by the Lotteries Branch.
8. The alleged reason behind the guideline which precludes funding for operating expenses is that this policy prevents groups from becoming dependent upon lottery funds. However this same end could be achieved by deleting this particular guideline and instead limiting the number of months or years that an on-going project would be eligible. Such a rule might be more objectively administered and would allow for funding of many worthy projects which would be otherwise excluded.

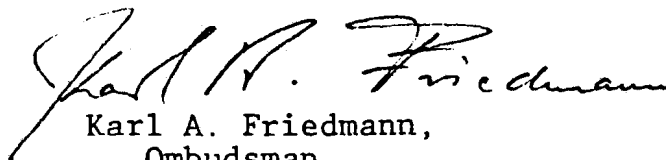
These recommendations are also consistent with the Province's official policy about the rights of citizens affected by provincial regulations as stated by the Hon. Evan Wolfe. That statement includes the following principles:

- Every person is entitled to fair, just and reasonable consideration in the application of any regulation.
- Officials with the authority to act or decide under any regulation will be clearly designated.
- A response or action by Government in connection with any regulation will be undertaken within a reasonable time specified by the Minister or by-law.
- A person to whom regulation is applied is entitled to a clear statement of the reason and any right to appeal.

I wish to draw your attention to the fact that I have not yet reached a final conclusion on the matter. This letter is written in order to give you the opportunity to make representations in accordance with Section 16 of the Ombudsman Act. I welcome any representations you may wish to make about my findings of fact and the "grounds for recommendations" in particular. Once I have received your representations, I will finalize my recommendations in accordance with Section 22 of the Ombudsman Act, and you will be able to discuss those recommendations with me at that time.

I would appreciate your comments within two weeks of receipt of this letter. If you require more time, or wish to discuss any of the above before replying, please contact me or Mr. Doug Chalke of my Vancouver office.

Yours sincerely,


Karl A. Friedmann,
Ombudsman.



Province of
British Columbia
DEPUTY PROVINCIAL SECRETARY
AND DEPUTY MINISTER OF
GOVERNMENT SERVICES

Ministry of
Provincial Secretary
and Government Services

Parliament Buildings
Victoria
British Columbia
V8V 1X4

RECEIVED
OCT 10 1980
OFFICE OF THE OMBUDSMAN
VICTORIA

YOUR FILE

OUR FILE

October 9, 1980

Mr. Doug Chalke
Office of the Ombudsman
Second Floor
1275 West Sixth Avenue
Vancouver, British Columbia
V6H 1L1

RECEIVED
OCT 10 1980
OFFICE OF THE OMBUDSMAN
VANCOUVER

Dear Mr. Chalke:

Further to our telephone conversation and previous correspondence I wish to reply to you with respect to the Ombudsman Report pertaining to the Downtown Eastside Residents Association's application for a lottery grant, your file 79-4611-1. We have had an opportunity to review the report and wish to comment upon certain aspects of the report particularly the Findings of Fact, the Grounds for Recommendations (or Findings), and the Possible Recommendations sections.

Reference Findings of Fact, page 3, no. 6. There is an incorrect interpretation here. It is not true that three categories of projects are given preference, rather preference is normally given to projects fitting all three guidelines or basic criteria.

Law and Administrative Policy, pages 3, 4, and 5. Basic guidelines or criteria are printed and provided to all prospective applicants. More specific guidelines and policy are still evolving based on demands on the Fund, precedents, and consultation with other ministries.

The establishment of a Lotteries Advisory Committee is a matter of policy and discretion of the Minister. The delegation of authority is also a matter of policy.

It is erroneous to interpolate that policies and procedures governing grant disbursement within a provincial jurisdiction are directly connected to the broader objects of the Western Canada Lottery Foundation. The Western Canada Lottery Foundation is a partnership of provinces and an organization responsible for the marketing of lottery tickets across Canada and the regulation of lotteries activities.

.... /2

80-10-10
MAF

Grounds for Recommendations or Findings, pages 5, 6, 7, and 8.

While it is true that the DERA application falls within the scope of the Western Canada Lottery Foundation Charter guidelines and within section 7 of the Lotteries Act; provinces are not obliged to support all projects falling within the scope of the Charter guidelines. For that matter, provinces through individual choice and priority disburse direct grants or donations to a variety of sectors and in a variety of mechanisms. Through policy, respective provinces also distribute commissions to the sellers of lottery tickets in different ways. In the Province of British Columbia lottery tickets are sold by non-profit societies thereby reducing the revenue available for direct government grants by approximately 50%. In this regard non-profit societies obtain approximately \$12 million per year in revenue from the sale of lottery tickets. The residual amount after administration costs is retained in what is known as the Lottery Fund controlled by the Ministry of Finance. Grants or donations are awarded by Government from this Fund to worthy causes and projects as determined by the minister responsible. It is a false assumption to conclude anyone can receive a lottery grant provided that the application falls within the broad guidelines of the Western Canada Lottery Foundation Charter. My reason for stating this is because virtually any project whether it be in the health care field, the social services field, recreation, sports, professional, and on and on could be supported. Practically, we know that this is impossible. The majority of grants relate to equipment purchases, capital restoration or construction, travel, and one-time special projects. Grants are not awarded for the purpose of conducting the normal business of the group that is applying.

It should also be noted that a major portion of the Lottery Fund is transferred to the Physical Fitness and Amateur Sports Fund, the Cultural Fund, the British Columbia Heritage Trust, and the Health Care Research Foundation.

Reference no. 2, page 5. The guideline relating to operating expenses was never intended to be "internal." It was first thought that the published criterion (projects of a one-time nature) explained the policy. When this assumption proved to be incorrect the criterion was amended and since October 1979 has read projects of a one-time nature (on going operating costs are not covered).

As to the claim that "exceptions are frequently made" in approving lottery grants, a random check of several hundred approved lottery grants reveals that only 11 could be considered operational.

On further investigation and particularly the examples which were cited in your report, the operating assistance given to the various grant applicants pertain to a one-time special project. None of the grants were a general subsidy towards the normal operating expenses of the organization. This is a significant difference to the DERA application.

It is critical to note that most social service agencies and community groups are funded by other ministries on an on going basis. Sustaining grants are awarded annually from the Ministry of Human Resources, the Ministry of Health, the Ministry of Education, the Ministry of Attorney-General, and others. The Lottery Fund is not intended to supplement such grants and it is our policy to divert applications to other ministries when such matters fall within their program jurisdiction.

While an unreasonable delay may have occurred in making a decision on the DERA application, it should be noted that this is a new program and at the time of the application, the backlog was considerable. It physically took time to review the various letters, notes, comprehensive reports and other forms of application which were received by the Lottery Grants Branch.

Reference Possible Recommendations (pages 8, 9, and 10).

1. The procedure for setting guidelines is a matter of policy. While it is true that a lottery advisory committee could be established pursuant to the Lottery Act, this has not been done. This ministry now has advisory committees in almost every interest sector for which we are responsible. It is these people whom we rely on to advise the Minister in matters of policy.

2. The guidelines as they exist are forwarded along with every application form distributed.

3. These guidelines are applied firmly and equitably to all applicants. Priorities, however, are placed subject to the availability of funds and also the distribution of grant monies provincially, taking into account such factors as per capita statistics, community support and the number of similar grants given in the area.

Reference no. 4. The delegation of authority and responsibility is a ministerial policy matter. The mechanisms developed by the various provinces to distribute lottery proceeds are not consistent. In some provinces, private businessmen sell lottery tickets for a profit and are awarded contracts as distributors. In this province, non-profit societies distribute lottery tickets and receive direct benefits.

Reference no. 6. I cannot agree with your reference to disclosure. All successful lottery grants are published quarterly. It would be a horrendous task to disclose all rejected applicants, and other financial information; particularly if we have to refer back to obtain the applicants' permission. This is not the practice for any grant program in Government and I question whether in fact it should be.

Reference no. 7. We do not accept your statement "in view of the many recent exceptions having been made to the guidelines." DERA's application has been reconsidered twice by the Ministry.

As stated previously, all other grants of a similar nature were for short-term, emergency funding or for specific new projects which were being started by organizations.

No. 8. As far as we are concerned the report is out of order with respect to the comments made here. The Ombudsman has no idea as to the demands placed upon the fund. The consequences of expanding the guidelines to include operating costs for a number of years, particularly the complexities of giving operating grants to organizations which are already funded by Government from other programs has not been considered. One should remember that if an organization is providing a worthwhile service to a community, the community should be ready to provide on going operational funding. The suggestion that such a rule should be instituted to allow for funding of many worthy projects which would otherwise be excluded, is ill-conceived. A most serious problem is to deal with the many applications which we now receive and which must be prioritized because funding is not available for all.

Reference page 10. It is our opinion that every applicant receives fair and just and reasonable consideration of his application.

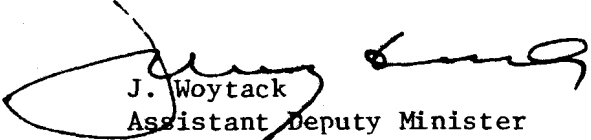
Officials with the authority to act or decide with respect to lotteries have been clearly designated.

A response to applications is undertaken within a reasonable time as specified by the Minister.

In summation, it is our considered opinion that we have reviewed DERA's application and find that a fair decision was made.

More particularly a grant to DERA for normal operating costs would invoke similar demands from countless other organizations. It would be an unfortunate precedent and one which we do not favour.

Yours very truly,


J. Woytack
Assistant Deputy Minister
Finance and Administration

JEW/lg

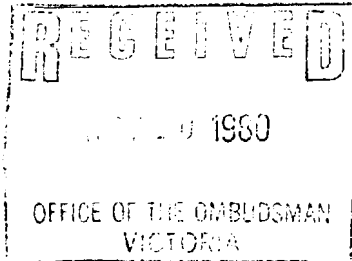


**Province of
British Columbia**

DEPUTY PROVINCIAL SECRETARY
AND DEPUTY MINISTER OF
GOVERNMENT SERVICES

**Ministry of Provincial
Secretary and
Government Services**

Lottery Grants Branch
Parliament Buildings
Victoria
British Columbia
V8V 1X4



YOUR FILE

OUR FILE... **L-9-356**.....

November 6, 1980

Ms. Suzanne Veite
Director Investigations - Victoria
Office of the Ombudsman
8 Bastion Square
Victoria, B.C.
V8W 1H9

Dear Ms. Veite:

Further to our meeting of October 31 in the office of the Assistant Deputy Minister, Mr. Jerry Woytack, I am writing to provide the information you requested.

CABINET POLICY DECISIONS

The first few dozen grants approved directly from the Lottery Fund were all approved by Cabinet which helped to establish early priorities. More specific decisions have been taken with regard to assistance to volunteer fire departments, initially to provide funding for the Training Centre and more recently the policy on grants to volunteer fire departments to purchase equipment or to build firehalls.

Cabinet decided on the provision of smoke detectors to Seniors Facilities, equipment to sporting groups and teams, the travel grants policy and grants for the commemoration of the International Year of the Child in 1979. This program was administered through the Minister of Human Resources with grant funds provided by this office.

AUTOMATIC REJECTIONS

Based on established policy and/or precedent, this office automatically prepares letters rejecting the following types of requests: team buses, adventure playgrounds, requests from individuals, grants to cover ice time for hockey teams and figure skating clubs, firefighting equipment, purchase of uniforms for sporting teams and travel grant requests not fitting the established guidelines.

...2

80-11-16
cc KAF

ALLEGED DELAYS IN DEALING WITH D.E.R.A. APPLICATION.

I can find no explanation on file as to why the letter rejecting the grant request was not sent until June 25.

The application was forwarded by M.L.A., Gary Lauk, to the Minister then responsible, the Honourable Hugh Curtis, on February 19 and was passed on to the Lottery Grants office on March 16.

As was common practice in those early days of direct grants, telephone checks were made in this case with the Minister of Human Resources, both here in Victoria and in Vancouver, and the file indicates that the organization was given high marks for its management, programs and effectiveness. Had the information not been favourable, a written report would have been requested from the Ministry of Human Resources.

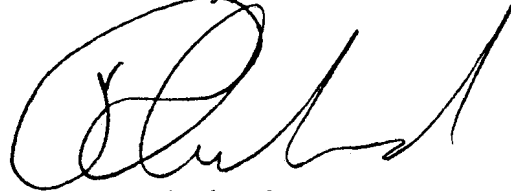
As the request was for purely on-going operational funding, the recommendation was to reject the request.

It should be remembered that within a week of receiving the application in this office the general Provincial Election was called and held on May 10, 1979. This is the only reason I can think of as to why it took until June 25 to send a letter to D.E.R.A.

While the files do not indicate just when the final decision was taken, members of the Cabinet are seldom in their offices during an election campaign, and frequently take a short vacation immediately after the election. I think it quite likely that Mr. Curtis was not available for consideration of the request until late May or early June, and I have yet to attend a meeting which has been able to deal with all the applications ready for final consideration.

If you require any further information, please do not hesitate to contact me at 387-5823.

Sincerely,



E.R. Orchard,
Lottery Grants Co-ordinator

ERO:br



November 26, 1980

Mr. Barry Kelsey,
Acting Deputy Provincial Secretary,
Ministry of the Provincial Secretary
and Government Services,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

Dear Mr. Kelsey:

Re: Downtown Eastside Residents' Association's
Application for a Lottery Grant

This is further to my letter of August 14, 1980 to Mr. Cross regarding the complaint received from the Downtown Eastside Residents' Association (DERA). Bruce Eriksen, on behalf of DERA, complained that there were no guidelines in existence at the time they applied for a lottery grant, that the guidelines were invented after DERA's application had been turned down, and that DERA met the purported guidelines. Bruce Eriksen also complained that other groups, according to published figures, had obtained grants for salaries while DERA's application was denied because of its request for funds for salaries. For these reasons, DERA felt that the Lotteries Branch had unfairly discriminated against them by denying them a lottery grant.

In my letter of August 14, 1980 to Mr. Cross I described my investigation and my findings as to facts, law, and administrative policies, and outlined my tentative conclusions and possible recommendations. The purpose of that letter was to provide your Ministry with an opportunity to make representations pursuant to Section 16 of the Ombudsman Act, R.S.B.C. 1979, c. 306, before I made recommendations.

On October 9, 1980, Mr. Woytack responded to my letter, and subsequently he and Mr. Orchard met with members of my staff to clarify certain matters and to provide additional information. We now also have Mr. Orchard's letter of November 6, 1980.

CONCLUSIONS

I have taken these representations and comments into consideration and based on these, and on my earlier investigation, I have come to the following conclusions:

1. There were guidelines in effect at the time of DERA's application; there is documentary evidence that the guidelines were available in a written form in January 1979. Thus, they were not invented later for the purpose of rejecting DERA's application. However, the Ministry did not make it a practice to send the written guidelines to prospective applicants until March, 1979.
2. The DERA application does not meet the Lotteries Branch guidelines, although it does fall within the scope of the Western Canada Lottery Foundation guidelines and within Section 7 of the Lottery Act, R.S.B.C. 1979, c. 249. That is, it falls within the class of activities for which money may be paid out of the Lottery Fund, but it does not satisfy the further restrictions imposed by the Lotteries Branch guidelines. The Lottery Act itself makes no specific reference to such guidelines, nor are there regulations pertaining to the disbursement of lottery funds. However, the establishment of such guidelines is not prohibited by the Act and in fact would be consistent with the general responsibilities associated with the administration of the Act.
3. The Lotteries Branch guidelines in their current form are inadequate. The proper administration of a program such as the Lottery Fund requires the establishment of specific, comprehensive, and unambiguous rules so that administrators may be provided with adequate guidance to enable them to make fair and objective funding decisions. The existing guidelines do not satisfy these criteria; I have concluded in my recommendations a discussion of the characteristics which such guidelines should demonstrate if they are to meet the requirements of administrative fairness.
4. The Ministry has been making individual grants from the Lottery Fund since early 1978, and in that time has paid out several millions of dollars in direct grants. Yet it has only been since March of 1979 that any written guidelines have been made available to the public, and those guidelines consist only of three brief descriptive phrases which are both ambiguous and incomplete. For example, applicants are not advised as to whether they are to satisfy any one or all three of the written guidelines, nor are they advised that there are additional types of projects which will not be funded.
5. The guidelines do not provide the public with adequate information regarding the disposition of funds. Many rules used by the Lotteries Branch in making decisions concerning applications still are not sent out to prospective applicants (e.g. those rules prohibiting grants for team buses, publications, volunteer fire department equipment) and those which are sent out lack detail and clarity. Such information is important to assist those considering applying for lottery funds and also to advise the public of the purposes for which the Ministry is using the funds.

6. Similarly, inadequate information is provided regarding the disposition of the bulk grants (i.e. those to the B.C. Cultural Fund, the B.C. Health Care Research Foundation, etc.). Prospective applicants would be better advised as to the appropriate source from which to seek funding if the Ministry provided the details of the bulk grants.
7. Although the guidelines preclude funding for "ongoing operating costs", groups other than DERA were awarded grants for operating costs. In some cases the grants were for salaries associated with one time projects, and in other cases (e.g. Handicrafts by Homebound Handicapped, North Shore Family Services Society) it is clear that grants were provided for expenses associated with ongoing community services, including salaries. In other words, exceptions to the guidelines were made in some cases but not in others. No rational explanation was offered by your Ministry for this inconsistency, and this leaves the door open to concerns that DERA was discriminated against for unstated reasons.
8. The Lotteries Branch failed to give adequate reasons for their decision on DERA's application, failed to advise DERA that exceptions to the guidelines had been made in other cases, and failed to give reasons why in DERA's case no exception would be made. In making decisions such as those pertaining to the disbursement of lottery funds, administrators have a responsibility to provide adequate and complete reasons for their decisions, both to satisfy the requirements of accountability, and to advise those applicants directly affected by such decisions.
9. There was unreasonable delay in communicating to DERA the Ministry's decision regarding DERA's application. There is documentary evidence on file which indicates that this application received attention at several levels within the Ministry within a month of its receipt, and it appears that a decision regarding the application was made within that period. Yet there was no communication with DERA in respect of that decision for another three months. Under the circumstances, I conclude that this was an unreasonable delay.

In summary, I conclude that the Ministry was unfair toward DERA in the administrative process followed in making the decision on DERA's application. The Ministry did not provide DERA with the information regarding its guidelines, and in fact does not have acceptable guidelines. The Ministry exempted other applicants from its guidelines, but made no such exemption in DERA's case, and failed to provide DERA with an explanation for its actions. The Ministry delayed unreasonably in advising DERA of its decision on DERA's application,

and it failed to provide DERA with adequate reasons for its decision. In short, the Ministry did not accord DERA's application the full and fair treatment due every application for a lottery grant.

However, I cannot conclude with certainty that the Ministry improperly discriminated against DERA in rejecting its application. The Ministry did have "guideline" reasons for declining DERA's application, although those guidelines were neither adequately specified, nor widely described, nor consistently applied. In other words, the guidelines provided administrators with too much discretion in decision making, and as a result, I am unable to make an objective determination as to whether DERA should or should not have received a grant.

It has been suggested to me that the Ministry prefers to operate with a minimum of published guidelines. In support of this position, administrators have stated that this provides them with the flexibility to consider worthwhile projects which might not otherwise receive funding. I do not find this argument very convincing; there are other ways of achieving the required flexibility, and the absence of guidelines necessarily entails the granting of too much discretion to administrators. Such wide discretionary powers increase at least the perceived potential for arbitrary and unfair decisions, and have the further negative effect of making it difficult or impossible for others such as myself to evaluate the propriety of administrators' decisions.

To correct this situation, it is imperative that proper criteria be developed to guide the disbursement of lottery funds, and that these criteria be administered in a fair and objective manner. The Lottery Act provides for the establishment of a Lotteries Advisory Committee to advise and assist in the various responsibilities associated with the administration of the Act. This provision has not been utilized; however, it is my conclusion that there should be such a committee, and that this committee should assume responsibility for the development and implementation of proper guidelines.

RECOMMENDATIONS

On the basis of the above, pursuant to Section 22(2) of the Ombudsman Act, R.S.B.C. 1979, c. 306, which provides that the Ombudsman may recommend that a practice, procedure or course of conduct be altered or that any other step be taken, I make the following recommendations:

Recommendation 1. The procedure for setting the guidelines for the granting of lottery monies should be formalized. I recommend that this be accomplished through the appointment of the Lotteries Advisory Committee pursuant to Section 3 of the Lottery Act, R.S.B.C. 1979, c. 249. This body should then be assigned responsibility for establishing appropriate guidelines.

Recommendation 2. The guidelines envisioned in Recommendation 1 must conform to principles of administrative fairness.

-They must include a clear statement of the goals and objectives of the program; the Ministry is accountable to the Legislature for its exercise of governmental authority, and without a clear statement of goals and objectives, the Legislature is not in a position to evaluate the manner in which the Ministry exercises that authority.

-The guidelines, and the decisions flowing from those guidelines, must be based on principles which are identified and articulated. If there are to be exceptions, they must be made only for specific and stated reasons.

Recommendation 3. The guidelines must be adequately publicized and easily understood by the public. It is important that the public be provided with specific information on the parameters within which the grant program operates, both as a means of assisting in the preparation of better grant applications and as a means of advising the public about the uses to which lottery funds are put. At a minimum, these guidelines should be forwarded along with every application form distributed.

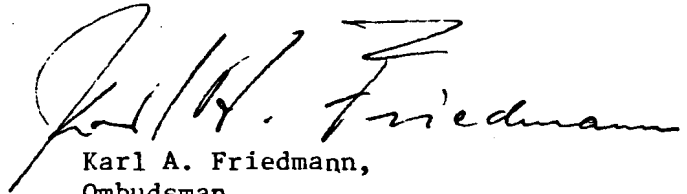
Recommendation 4. The guidelines should be applied firmly and equitably to all applicants. It is recommended that the Lotteries Advisory Committee establish an ongoing working group charged with responsibility for deciding applications for lottery grants according to the guidelines as established by the Lotteries Advisory Committee.

Recommendation 5. The amount and purpose of each grant made should be a matter of public record. Similarly, details of the final disposition of the bulk grants (e.g. those to the B.C. Cultural Fund) should also be a matter of public record.

Section 23 of the Ombudsman Act enables me to request that you notify me within a specified period of time of your response to my recommen-

dations. Accordingly, I request such notification on or before
December 10th, 1980.

Yours sincerely,


Karl A. Friedmann,
Ombudsman.

KAF:ER:SF

APPENDIX B

Correspondence Regarding Implementation of Recommendations

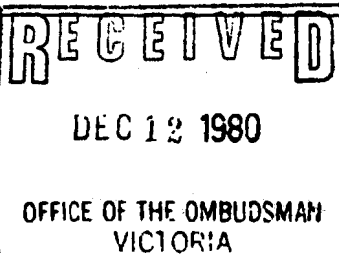
- B.1 Letter from Acting Deputy Provincial Secretary to Ombudsman, December 10, 1980
- B.2 Letter from Ombudsman to Acting Deputy Provincial Secretary, December 19, 1980
- B.3 Letter from Ministry to Ombudsman, December 19, 1980
- B.4 Letter from Ombudsman to Acting Deputy Provincial Secretary, January 9, 1981
- B.5 Letter from Acting Deputy Provincial Secretary to Ombudsman, January 28, 1981
- B.6 Letter from Ombudsman to Acting Deputy Provincial Secretary, February 4, 1981



**Province of
British Columbia**
DEPUTY PROVINCIAL SECRETARY
AND DEPUTY MINISTER OF
GOVERNMENT SERVICES

**Ministry of
Provincial Secretary
and Government Services**

**Parliament Buildings
Victoria
British Columbia
V8V 1X4**



YOUR FILE

OUR FILE

December 10, 1980

Dr. Karl A. Friedmann,
Ombudsman,
8 Bastion Square,
Victoria, B. C. V8W 1H9

Dear Dr. Friedmann:

Subject: Downtown Eastside Residents' Association's
Application for a Lottery Grant

Thank you for your complete and comprehensive report and for the time you have taken in reviewing this matter. This letter is written in response to your recommendations and refers to existing practice and proposed action we will undertake.

Your recommendation that we establish a lotteries advisory committee under the Act, and the roles which you suggest for it, constitute substantial changes in present administrative practice. Please be advised that we will be pleased to consider these suggestions.

Your recommendations 2 and 3 are directed at expanding and articulating more clearly the lottery guidelines and ensuring that they are widely known. Please be advised that the lottery guidelines are appended to all application forms issued from this Ministry, that they are now under review and that they will be amended shortly.

Your recommendation number 4 suggests that guidelines be applied firmly and equitably to all applicants. I am pleased to advise that this is now the case. It may be that, in an instance or two in the early years of the Lottery Fund, inconsistencies did occur because of the newness of the program. I believe that all applications to the Lottery Fund are treated fairly and equitably, in accordance with our guidelines.

With respect to recommendation number 5, please be advised that the amount and purpose of each direct lottery grant is a matter of public record: quarterly news releases are issued by this Ministry and are available to any one in the Province. I would be happy to send you copies of the past releases in this regard. In addition, it has been our practice to note the lotteries proportion in press releases announcing


Dr. Friedmann

December 10, 1980

grants made under the Cultural Fund and the Physical Fitness and Amateur Sports Fund. A consolidated release concerning direct and partial lottery grants has not been issued in the past but can be, and we will undertake to do so. May I respectfully reiterate, however, that all grants made from the Funds are public knowledge and news releases or reports are available.

I would like to thank you very much for the time and effort you have taken in assisting us in this matter and trust that the information I have provided will be useful.

Yours very truly,



Barry Kelsey,
Acting Deputy Provincial Secretary

JEW:lg



Province of
British Columbia

Office of the
Ombudsman

8 Bastion Square
Victoria
British Columbia
V8W 1H9
Telephone: (604) 387-5855
Zenith 2221

File No: 79 4611
December 19, 1980

Mr. Barry Kelsey,
Acting Deputy Provincial Secretary,
Ministry of the Provincial Secretary
and Government Services,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

Dear Mr. Kelsey:

Re: Downtown Eastside Residents' Association's
Application for a Lottery Grant.

This is with reference to your letter of December 10, 1980
responding to my recommendations on the above matter.

While I appreciate the cooperative attitude expressed in your
letter, I do not consider that its substance constitutes an
acceptable response to my recommendations.

In response to my recommendation that a Lotteries Advisory Committee
be established with responsibilities for the development and
application of specific guidelines, you have indicated that you
"will be pleased to consider these suggestions". I would like to
point out that I made no "suggestions"; rather, I made
recommendations pursuant to Section 22 of the Ombudsman Act,
R.S.B.C. 1979, c. 306. As you yourself have noted, my
recommendations were made after a lengthy and comprehensive
investigation; they are not suggestions to be considered but formal
recommendations made under the authority of the Ombudsman Act. My
recommendation stands; please respond to it accordingly.

In response to my recommendations that the Lotteries Advisory Committee establish guidelines which conform to principles of administrative fairness, you have stated that the guidelines are now under review and will be amended shortly. I have two major problems with this response. First, it appears to incorporate a rejection of my first recommendation, i.e. that the Lotteries Advisory Committee be responsible for establishing guidelines. While I certainly can appreciate the need to revise the guidelines on an interim basis, I must reiterate my view that a complete revision of the guidelines is necessary, and that the Lotteries Advisory Committee should undertake this responsibility.

Second, your response makes no mention of the principles outlined in my second and third recommendations. I would like confirmation that any interim review, and the complete review of the guidelines by the Lotteries Advisory Committee, will incorporate those principles of administrative fairness outlined in my second and third recommendations.

My fourth recommendation was that guidelines should be applied firmly and equitably to all applicants, and that a working group of the Lotteries Advisory Committee should be given responsibility for the application of the guidelines. You have responded, "I believe that all applications to the Lottery Fund are treated fairly and equitably, in accordance with our guidelines". This does not address the substance of my recommendation. Clearly, our investigation revealed that there were inconsistencies throughout 1979 and into 1980. If you have taken steps to ensure that this will not happen in the future, I would like to be apprised of those steps. Also, you have not commented on my recommendation that a working group of the Lotteries Advisory Committee be given responsibility for application of the guidelines.

In response to my recommendation that the details of both direct and bulk grants be a matter of public record, you state that "a consolidated release concerning direct and partial lottery grants has not been issued in the past but can be, and we will undertake to do so". From this response it is not clear that you understood the intent of my recommendation. I was not so much concerned with a consolidated release as with the availability of the details of both direct and bulk grants. I understand that details of direct grants are, and will continue to be, released to the public on a quarterly

basis. I would appreciate your confirming that it is also your intention to release to the public on a quarterly basis the details of the bulk grants, including, for each bulk grant, the name of the recipients, the purpose for which each grant was awarded, and the date of each award.

I would like to emphasize that the recommendations made in my letter of November 26, 1980 were made pursuant to Section 22 of the Ombudsman Act. As you may be aware, Section 24 empowers me to make a special report to the Lieutenant Governor in Council or to the Legislative Assembly, if I do not receive a suitable response to my recommendation. Further, Section 30 of the Act permits me to comment publicly on a matter if I consider it to be in the public interest to do so.

Please respond to this letter on or before December 24, 1980.

Yours sincerely,



Karl A. Friedmann,
Ombudsman.



Province of
British Columbia

DEPUTY PROVINCIAL SECRETARY
AND DEPUTY MINISTER OF
GOVERNMENT SERVICES

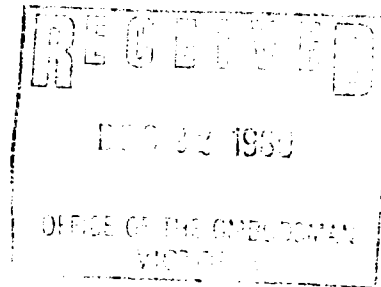
Ministry of Provincial
Secretary and
Government Services

Lottery Grants Branch
Parliament Buildings
Victoria
British Columbia
V8V 1X4

YOUR FILE

OUR FILE **L-9-356**

December 19, 1980



Dr. Karl A. Friedman
Ombudsman
Office of the Ombudsman
8 Bastion Square
Victoria, B.C.
V8W 1H9

Dear Dr. Friedman:

Thank you for your letter of December 19, 1980 to the Acting Deputy Provincial Secretary, Barry Kelsey, which has been forwarded to my office for reply. Both Mr. Kelsey and the Minister, the Honourable Evan Wolfe, are absent on vacation until early in the New Year. It will, therefore, not be possible to have a response to your letter prepared by December 24th.

Your letter will be delivered to Mr. Kelsey immediately upon his return and I am sure you will receive a response as soon as is practical.

Yours very truly,

E.R. Orchard
Director

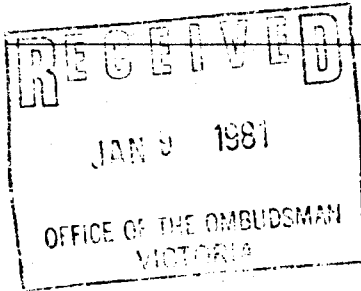
ERO/rm
cc: Mr. Barry Kelsey



Province of
British Columbia

Office of the
Ombudsman

Legislative Assembly
4 Bastion Square
Victoria
British Columbia
V8W 1H9
Telephone: (604) 387-5855
Zenith 2221



File No: 79 4611

January 9, 1981

Mr. Barry Kelsey,
Acting Deputy Provincial Secretary,
Ministry of Provincial Secretary and
Government Services,
Room 247, Parliament Buildings,
Victoria, B. C.
V8V 1X4



Dear Mr. Kelsey:

Re: Downtown Eastside Residents' Association

This is with reference to my letter of December 19, 1980, regarding your response to my recommendations on the above matter.

I have received Mr. Orchard's letter of December 19, 1980, indicating that you were absent on holidays and would be unable to respond until early in the new year.

On January 5, I had one of my staff call your office to extend the deadline to January 9, 1981. I now understand that you are unable to meet this date and expect to have your response ready early next week.

I will extend the deadline for your response to January 14, 1981, and I expect your letter to be in my office on that date. Given the frequent and lengthy delays experienced in this matter, I will be unable to extend this deadline beyond January 14, 1981.

Yours sincerely,

Mr. Friedman

*I really appreciate
your understanding!*

B.K.

9/1/81

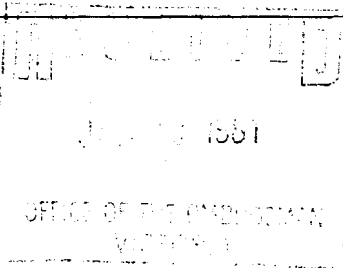
Karl A. Friedmann
Karl A. Friedmann,
Ombudsman.



**Province of
British Columbia**
DEPUTY PROVINCIAL SECRETARY
AND DEPUTY MINISTER OF
GOVERNMENT SERVICES

**Ministry of
Provincial Secretary
and Government Services**

Parliament Buildings
Victoria
British Columbia
V8V 1X4



YOUR FILE 79 4611

OUR FILE L-9-356

January 28, 1981

Dr. Karl A. Friedmann
Ombudsman
8 Bastion Square
Victoria, B.C.
V8W 1H9

Dear Dr. Friedmann:

Thank you for your letter of December 19 relating to earlier correspondence on the rejection of a Lottery Fund grant to the Downtown Eastside Residents' Association of Vancouver. I apologize for the delay in sending this response but as you have been informed I was on vacation until January 6, and this is the first opportunity I have had to reply.

Regarding your first recommendation, that a Lotteries Advisory Committee be established, I can take no further action. As you are no doubt aware, the responsibility for deciding upon the appointment of such a Committee, and the appointment itself, lies with the Lieutenant Governor in Council. It is beyond my authority, as Acting Deputy Provincial Secretary, to take the action you recommend. I would remind you that the Lottery Act provides only that the Lieutenant Governor in Council may establish a committee but is not obliged to under the Act.

Until the Lieutenant Governor in Council appoints a Lotteries Advisory Committee, the formulation of guidelines conforming to the principles of administrative fairness will have to be dealt with in other ways. As mentioned in my previous correspondence, the guidelines are being revised and I hope that the outcome will be satisfactory to all concerned.

In light of the above, our response to your fourth recommendation, that a working group of the Lotteries Advisory Committee be responsible for the application of the guidelines, is as it has been.

. . . /2

I repeat the statement of my letter of December 10 that I believe that applications to the Lottery Fund are treated equitably and in accordance with guidelines, and disagree with your contention that your investigation revealed inconsistencies. It was pointed out to members of your staff that the Downtown Eastside Residents' Association application was for funding to cover long-term on-going operating expenses of a normal nature with no evidence that future funding from other sources was assured.

On the other hand, approved grants for operating types of expenses cited by your investigators were either: for specific one-time programs of limited duration with no evident prospect of on-going requirements; or to help significant programs through a short-term financial difficulty, either to the end of the specific program, or until assured funding from other sources could assume on-going responsibility.

I am sorry that my explanation of your fifth recommendation was not clear enough. Quarterly news releases are to be prepared giving details of all Lottery Fund expenditures either as direct grants or through other funding programs assisted by bulk grants. While I say such releases will be issued quarterly, not all grant programs will be listed in all releases as some programs review and approve grants on a six-monthly basis.

The date of each award is not of significance for news release purposes: all awards will be mentioned in the first possible news release after the requisitioning of payment.

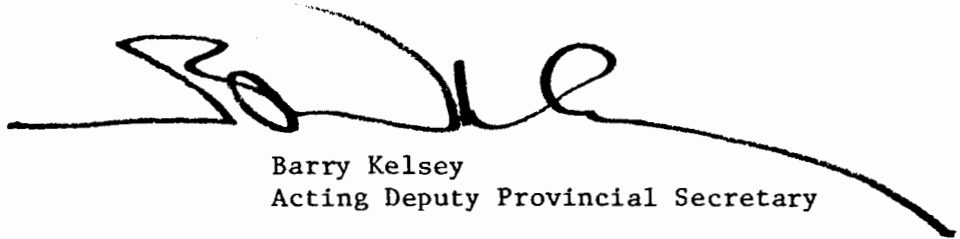
Incidentally, all this information has been readily available on an on-going basis. The Lottery Fund has regularly issued details of direct grants and the other funding programs issue information on grants made through their programs. We cannot, of course, force the media to publish this information.

In our recent telephone conversation, I responded to your comments about frequent and lengthy delays, and the record of your own staff in this regard. As indicated, I leave the details unrecorded.

With regard to your letter of January 9 and the reference to frequent and lengthy delays experienced in this matter, I would ask for some understanding and consideration. Yours is not the only busy office in Government service. Your office has consistently taken longer to deal with matters than it has given officials of this Ministry to respond, including a delay of some eight months between


the initial investigation of this complaint on December 13, 1979, and the submission of preliminary results and recommendations on August 14, 1980.

Yours very truly,

A handwritten signature in black ink, appearing to read 'B. Kelsey', with a long horizontal flourish extending to the right.

Barry Kelsey
Acting Deputy Provincial Secretary

ERO/BK/sk



Province of
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Office of the
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Legislative Assembly
8 Bastion Square
Victoria
British Columbia
V8W 1H9
Telephone: (604) 387-5855
Zenith 2221

File No: 79 4611

February 4, 1981

Mr. Barry Kelsey
Acting Deputy Provincial Secretary
Ministry of Provincial Secretary and
Government Services
Room 247, Parliament Buildings
Victoria, B.C.
V8V 1X4

Dear Mr. Kelsey:

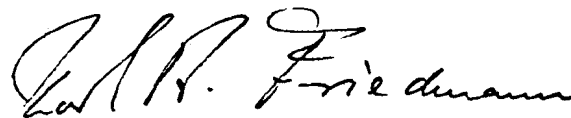
Re: Downtown Eastside Residents' Association's
Application for a Lottery Grant

This will acknowledge receipt of your letter dated January 28th,
1981 on the above matter.

I am pleased to learn that you have taken steps to implement my
fifth recommendation, pertaining to the making public of details of
both direct and bulk grants from the Lottery Fund.

However, I do not feel that you have responded adequately nor
appropriately to the remaining four recommendations. Consequently,
I have commenced the proceedings necessary for the submission of a
report of the matter to the Lieutenant Governor in Council.

Yours sincerely,



Karl A. Friedmann
Ombudsman

APPENDIX C

Report to Lieutenant Governor in Council

- C.1 Report of Ombudsman to Lieutenant Governor in Council,
February 4, 1981
- C.2 Response of Provincial Secretary and Minister of Government
Services on behalf of Lieutenant Governor in Council,
June 8, 1981



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Legislative Assembly
8 Bastion Square
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Telephone: (604) 387-5855
Zenith 2221

February 4, 1981

The Honourable W. R. Bennett, M.L.A.
Premier of the Province of British Columbia,
Parliament Buildings
Victoria, B.C.
V8V 1X4

Sir:

Pursuant to section 24(1) of the Ombudsman Act, R.S.B.C. 1979, c.306, I submit herewith a report of my investigation of the complaint of the Downtown Eastside Residents' Association concerning the Ministry of Provincial Secretary and Government Services for consideration by the Lieutenant Governor in Council.

I am of course available to discuss this matter with the Lieutenant Governor in Council at their convenience. If you wish me to attend, please advise me of the date and time.

Yours sincerely,

Signed By: KARL A. FRIEDMANN Ombudsman
--

Karl A. Friedmann,
Ombudsman.

encl.



REPORT

TO

THE LIEUTENANT GOVERNOR IN COUNCIL

PURSUANT TO SECTION 24(1) OF THE OMBUDSMAN ACT
R.S.B.C. 1979, c. 306

Re: In the matter of a complaint made by the Downtown Eastside Residents' Association (DERA) of 193 East Hastings Street, Vancouver, that the Lotteries Branch of the Ministry of Provincial Secretary and Government Service had unfairly discriminated against DERA by denying DERA a grant from the Lottery Fund.

In October, 1979, I received a complaint from the Downtown Eastside Residents' Association (DERA) that the Lotteries Branch of the Ministry of Provincial Secretary and Government Services had discriminated against DERA by denying DERA a grant from the Lottery Fund. DERA stated that the Lotteries Branch had rejected its application on the grounds that the Branch's guidelines for the distribution of lottery grants prevented their awarding grants for salaries. DERA contended that the guidelines had been established after DERA's application in an effort to prevent DERA from obtaining a grant and further contended that other groups had been awarded grants for salaries.

In August, 1980, after an extensive investigation into the matter. I advised the Deputy Provincial Secretary of the conclusions I had reached and of the recommendations I was considering based on those conclusions (Appendix A). As required by section 16 of the Ombudsman Act, R.S.B.C. 1979, c.306, I provided the Deputy Provincial Secretary with the opportunity to make representations before I made my final recommendations. The Ministry responded in October, 1980 (Appendix B).

Based on that response, and on information obtained in subsequent meetings and correspondence between members of my staff and the Ministry's staff, I made certain revisions to my proposed recommendations. In November, 1980, I advised the Deputy Provincial Secretary of my final conclusions and recommendations on the matter.

The details can be obtained from my letter of November 26th, 1980 (Appendix C), but briefly, my conclusions were as follows:

- I found that there were guidelines in effect at the time of DERA's application, so that they could not have been invented for the purpose of rejecting DERA's application. However, I also concluded that the guidelines were ambiguous and incomplete, and were not routinely made available to prospective applicants until after DERA's application, so that it was not unreasonable for DERA to have reached the conclusions it did.
- I found that DERA's application did not in fact satisfy the Lotteries Branch guidelines, such as they are. However, I also found that groups other than DERA had been awarded grants for ongoing operating costs, including salaries. I concluded that there were grounds for concern that DERA had been the subject of discrimination since others were granted exceptions and DERA was not.
- I concluded that the Ministry delayed unreasonably in communicating its decision regarding DERA's application. Information drawn from documents on file, and from statements by Ministry staff indicate that a decision regarding the application was reached within a month of its receipt, but that DERA was not advised of that decision for another three months.

Thus, while I did not find that the Ministry had improperly discriminated against DERA in rejecting its application, I did conclude that the Ministry had been unfair toward DERA in the administrative procedures followed in processing DERA's application, and that there were serious deficiencies in the general procedures followed by the Lotteries Branch in awarding grants from the Lottery Fund.

Since early 1978, the Ministry has awarded several millions of dollars in direct grants from the Lottery Fund, yet there are still no clear and comprehensive rules to guide the dispersal of such funds. I find this to be unacceptable for two reasons; first, I find it unacceptable because it gives Ministry staff such wide discretionary powers as to increase at least the perceived potential for arbitrary and unfair decisions; and second, I find it unacceptable because it does not provide the public with adequate information regarding the criteria for awards, nor regarding the use the Ministry is making of the Lottery Fund.

I made five recommendations for changes which I believe are essential if the procedures for the distribution of grants from the Lottery Fund are to be consistent with principles of administrative fairness. My five recommendations were as follows:

1. The procedure for setting the guidelines for the granting of lottery monies should be formalized. I recommend that this be accomplished through the appointment of the Lotteries Advisory Committee pursuant to section 3 of the Lottery Act, R.S.B.C. 1979, c.249. This body should then be assigned responsibility for establishing appropriate guidelines.
2. The guidelines envisioned in Recommendation 1 must conform to principles of administrative fairness.
 - They must include a clear statement of the goals and objectives of the program; the Ministry is accountable to the Legislature for its exercise of governmental authority, and without a clear statement of goals and objectives, the Legislature is not in a position to evaluate the manner in which the Ministry exercises that authority.
 - The guidelines, and the decisions flowing from those guidelines, must be based on principles which are identified and articulated. If there are to be exceptions, they must be made only for specific and stated reasons.
3. The guidelines must be adequately publicized and easily understood by the public. It is important that the public be provided with specific information on the parameters within which the grant program operates, both as a means of assisting in the preparation of better grant applications and as a means of advising the public about the uses to which lottery funds are put. At a minimum, these guidelines should be forwarded along with every application form distributed.
4. The guidelines should be applied firmly and equitably to all applicants. It is recommended that the Lotteries Advisory Committee establish an ongoing working group charged with responsibility for deciding applications for lottery grants according to the guidelines as established by the Lotteries Advisory Committee.
5. The amount and purpose of each grant made should be a matter of public record. Similarly, details of the final disposition of the bulk grants (e.g. those to the B.C. Cultural Fund) should also be a matter of public record.

The Deputy Provincial Secretary responded to my recommendations for change on December 10th, 1980 (Appendix D); however, his letter did not address the substance of my recommendations. I advised him of this by letter on December 19th, 1980, and requested a more appropriate response by December 24th, 1980 (Appendix E). At the Ministry's request, this deadline was extended to January 9th, 1981 and then to January 14th, 1981 (Appendix F) and then to January 28th, 1981.

On January 30th, 1981 I received the response of the Deputy Provincial Secretary (Appendix G). I now feel confident that adequate steps are being taken to implement one of my recommendations, the fifth one above, pertaining to making public the details of both direct and bulk grants.

However, the response of the Deputy Provincial Secretary provides me with no assurance that adequate steps will be taken to implement the remaining four recommendations. Central to these recommendations is the establishment of a Lotteries Advisory Committee, as foreseen in section 3 of the Lottery Act, with responsibilities for the development of new guidelines and for the application of those new guidelines. The Deputy Provincial Secretary has responded that he cannot take action on this recommendation as it is beyond his authority to do so.

In summary, I do not consider the Ministry's response to be adequate nor appropriate. I am therefore seeking your assistance in ensuring that the necessary steps are taken to establish the Lotteries Advisory Committee, to ensure that this Committee is assigned the responsibilities outlined in my recommendations and in short to take whatever measures are necessary to implement the first four of my recommendations on this matter.

Signed By:
KARL A. FRIEDMANN
Ombudsman

Karl A. Friedmann
Ombudsman

February 4, 1981.



RECOMMENDATION

That the necessary steps be taken to ensure implementation of the following recommendations made pursuant to Section 22(2) of the Ombudsman Act, R.S.B.C. 1979, c. 306.

1. The procedure for setting the guidelines for the granting of lottery monies should be formalized. I recommend that this be accomplished through the appointment of the Lotteries Advisory Committee pursuant to section 3 of the Lottery Act, R.S.B.C. 1979, c.249. This body should then be assigned responsibility for establishing appropriate guidelines.
2. The guidelines envisioned in Recommendation 1 must conform to principles of administrative fairness.
 - They must include a clear statement of the goals and objectives of the program; the Ministry is accountable to the Legislature for its exercise of governmental authority, and without a clear statement of goals and objectives, the Legislature is not in a position to evaluate the manner in which the Ministry exercises that authority.
 - The guidelines, and the decisions flowing from those guidelines, must be based on principles which are identified and articulated. If there are to be exceptions, they must be made only for specific and stated reasons.
3. The guidelines must be adequately publicized and easily understood by the public. It is important that the public be provided with specific information on the parameters within which the grant program operates, both as a means of assisting in the preparation of better grant applications and as a means of advising the public about the uses to which lottery funds are put. At a minimum, these guidelines should be forwarded along with every application form distributed.
4. The guidelines should be applied firmly and equitably to all applicants. It is recommended that the Lotteries Advisory Committee establish an ongoing working group charged with responsibility for deciding applications for lottery grants according to the guidelines as established by the Lotteries Advisory Committee.

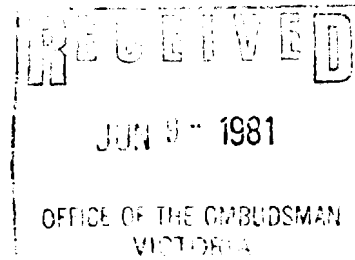


Province of
British Columbia

OFFICE OF THE MINISTER

Ministry of
Provincial Secretary
and Government Services

Parliament Buildings
Victoria
British Columbia
V8V 1X4



June 8, 1981

Dr. Karl Friedmann
Ombudsman
8 Bastion Square
Victoria, British Columbia
V8W 1H9

Dear Sir:

Re: D.E.R.A. Lottery Grant Application

Further to the letter from the Honourable the Premier dated April 10, 1981, I would like to formally respond to you on behalf of the Government regarding your report to the Lieutenant Governor in Council respecting the matter of a complaint made by the Downtown Eastside Residents' Association (D.E.R.A.) "that the Lotteries Branch of the Ministry of Provincial Secretary and Government Services had unfairly discriminated against D.E.R.A. by denying D.E.R.A. a grant from the Lottery Fund".

I understand from reading the report that the central reason of D.E.R.A.'s complaint has been satisfied. In addition, the matter of administrative delay has been addressed by strengthening the staff and resources of the Lotteries Branch and by improving upon the administrative practices and procedures.

Turning to the specific recommendations section of your report, I wish to advise that the remaining matters have received considerable examination. Many of the points cited in your report were in the process of change prior to your investigation and have been subsequently refined, based upon suggestions in the report.

In reference to the first recommendation, I wish to confirm that guidelines for the disbursement of lottery funds were strengthened and circulated to all members of the Legislative Assembly.

The matter of the appointment of the Lotteries Advisory Committee pursuant to section 3 of the Lottery Act, R.S.B.C. 1979, c.249 has been carefully considered. If such a committee is established the section automatically prescribes certain duties to it which are quite broad respecting the conduct and administration of lotteries in the Province. In this regard, we are ably represented by senior Ministry staff on both the Western Canada Lottery Foundation and the Interprovincial Lottery Corporation, therefore, I have decided not to recommend to the Lieutenant Governor in Council that a Lotteries Advisory Committee be established at this time. Rather, I will continue to utilize senior staff to undertake examination of objectives, principles and procedures and give recommendations.

In reference to the second and third recommendations, the principal goals and objectives of the Lottery Fund are:

To provide annual support for the advancement of the arts, culture, recreation, sport, heritage and health care research in the Province; and to provide direct financial assistance to individual community projects which fall within the objects of the Western Canada Lottery Foundation and which enhance the general welfare of the residents of the Province of British Columbia.

The goals and objectives outline the priorities set by Government in allocating lottery funds. The largest percentage of lottery proceeds is allocated to existing Government programs on an annual basis in the areas of culture, sport, recreation, heritage conservation and health care research. These lottery proceeds are administered within existing program guidelines and policies, which are published, distributed and widely known.

The residual funds remaining in the Lottery Fund are directly administered by the Lottery Grants Branch. These grants can cover the broad spectrum of the objects cited previously. Grants normally cover instances where other Government programs or other sources of funding are not available, but where the community has expressed a significant interest as well as financial commitment. As mentioned previously, for these grants I have published guidelines which are attached to each application form to assist the various community groups and organizations.

In reference to the fourth recommendation, the staff of the Lottery Grants Branch has the on-going responsibility for the administration of all direct lottery fund grants and for providing recommendations to the Minister. These recommendations are made after careful consultation with officials of other Ministries. To remove the final responsibility from the Minister is a significant departure from policy and legislative intent and I am not contemplating a departure from this accepted practice.

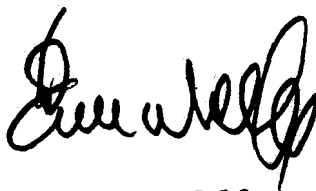
Dr. Karl Friedmann

- 3 -

June 8, 1981

In closing I would like to thank you for your report.

Yours very truly,

A handwritten signature in black ink, appearing to read "Evan M. Wolfe". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

Evan M. Wolfe
Minister

APPENDIX D

Information on Guidelines for Grants from Lottery Fund

- D.1 Sample of letter sent to prospective applicants after October, 1979
- D.2 Information sent to prospective applicants after January, 1981
- D.3 News Release of Ministry of Provincial Secretary and Government Services, March 12, 1981



**Province of
British Columbia**
DEPUTY PROVINCIAL SECRETARY
AND DEPUTY MINISTER OF
GOVERNMENT SERVICES

**Ministry of
Provincial Secretary
and Government Services**

**Parliament Buildings
ia
British Columbia
V8V 1X4**

YOUR FILE

OUR FILE

Sample

Enclosed please find a Lottery Fund grant application form in answer to your request.

It might help you to assess your suitability for funds from this source if you first consider that preference will normally be given to:

- (a) Projects of a one-time nature (on-going operating costs are not covered).
- (b) Projects of wide community appeal and interest.
- (c) Projects of a type which are not normally funded in other Government programs.

Thank you for your interest.

Sincerely,

E.R. Orchard,
Lottery Fund Co-ordinator

ERO:br

Enclosure

BRITISH COLUMBIA LOTTERY FUND OBJECTIVES AND GUIDELINES

The British Columbia Lottery Fund has available for distribution the net proceeds gained through the conduct of lotteries in this province, (a total of approximately \$16,000,000 in 1980).

About two-thirds of the total is distributed through the grants programs of the British Columbia Cultural Fund, the Physical Fitness and Amateur Sports Fund, the British Columbia Heritage Trust, and the Health Care Research Foundation.

The remaining funds, through the Direct Grants Program, provide a possible source of financial assistance for worthwhile projects not eligible for funding through the above mentioned, or other government grant programs.

Assistance is for one-time capital costs, not for on-going or operational expenses.

To be seriously considered, projects must be of proven value to the community, generally accessible to the public, and of wide interest and appeal.

Approved grants for the purchase, construction, or renovation of facilities are normally for up to one-third of total costs.

Approved grants for the purchase of equipment used by a team or group are normally for up to one-half of total costs.

Grants are not normally approved for:

- 1) Debt or deficit payment.
- 2) Profit oriented operations.
- 3) Endowment funds, memorials, charitable donations, etc.
- 4) Projects undertaken by individuals or unorganized groups.
- 5) Studies, conferences, seminars, etc.
- 6) Local festivals and celebrations.
- 7) Preparation, publication, production or purchase of books, brochures, maps, films, recordings, etc.
- 8) Advertising or promotional campaigns.
- 9) School, team, community or emergency vehicles.
- 10) School projects or programs.
- 11) Playground, nursery or pre-school equipment and facilities.
- 12) Personal sports equipment including team uniforms.
- 13) Fire department equipment and facilities.
- 14) Ski Patrols.
- 15) Churches.
- 16) Halls owned by, and operated primarily for the benefit of private clubs, lodges, fraternal organizations, etc.



Ministry of Provincial Secretary
and Government Services

RELEASE DATE: 81-March-12

QUARTERLY LOTTERY REPORT

VICTORIA: Details of grants from the British Columbia Lottery Fund for the three-month period, October 1 to December 31, 1980, were released today by Provincial Secretary, Evan Wolfe.

Over 500 grants totalling \$1,454,532.30 were approved during the period, ranging from \$175 to help purchase electronic starters for the Powell River Porpoise Swim Club to \$280,000 to resurface the track at Swangard Stadium in Burnaby.

"The money available to the fund for granting purposes is directly related to the sale of lottery tickets and although sales remain relatively constant from year to year, we are receiving more and more grant requests each year," said Wolfe. "Material outlining some of the basic guidelines and restrictions related to approval of lottery grants is being mailed to groups considering making application for funds.

- 30 -

For further information, contact:

387-5823

B.C. Cultural Fund (Special Project Grants)	\$146,687
Recreation and Fitness (Special Project Grants)	34,382.06
Drinking Driver CounterAttack Program (28 scholarships to high school students)	8,000
Greater Vancouver Information and Referral Service (computer equipment)	31,000
Union of Spiritual Communities of Christ, Grand Forks (renovations to community centre)	50,000
Prism Dance Theatre, Vancouver (equipment)	2,544
Maple Ridge Amateur Athletic Association (field lighting)	29,545
Kamloops Symphony Society (summer music school)	7,500
Branch #24, Senior Citizens Association of B.C., Chilliwack (purchase building)	25,000
Bridgeview Community Association, Surrey (equipment)	20,666
B.C. Forest Museum Society, Duncan (reconstruction of railway trestle)	130,000
Summerland Exhibition Association (display booths)	200
Mission Workshop Association (facility for handicapped)	45,000
District of Salmon Arm (upgrade park)	16,700
Saanich District Youth Choir (uniforms)	3,023
Carousel Theatre, Vancouver (lighting equipment)	8,000
Vancouver Welsh Society (hall renovations)	32,066

B.C. Amateur Baseball Association (equipment)	7,000
Kitsilano Showboat Committee, Vancouver (renovations to stage and stands)	20,000
Tri School Girls' Bugle Band, Cranbrook (instruments and uniforms)	2,592.40
Delta Gymnastics Club (equipment)	2,702
Fauquier Community Club (upgrade hall)	3,250
100 Mile Ski Club (equipment)	3,900
Powell River Porpoise Swim Club (equipment)	175
Canadian Rugby Union, B.C. Division (equipment)	3,200
Langley Family Services Association (purchase building)	50,500
Royal Canadian Air Cadets, Cowichan Squadron #744 (band instruments)	5,100
Langley Figure Skating Club (equipment)	1,650
Walhachin Soldiers' Memorial Hall Society (hall repairs and renovations)	10,000
Corporation of the District of Burnaby (resurface Swangard Stadium track)	280,000
Kamloops Bronco Busters Four Wheel Drive Club (develop facility)	2,000
Canadian Lacrosse Hall of Fame, New Westminster (hall renovations)	7,500
Saturna Women's Service Club, Saturna Island (hall, kitchen and roof)	6,300

Abbotsford Concert Band (uniforms)	1,930.71
Chilliwack Waltztime Society (hall renovations)	7,717
Cariboo Ski Touring Club, Quesnel (equipment)	3,000
Salmo Lions Club (gym equipment)	2,400
Silver Harbour Chimes, North Vancouver (purchase equipment for seniors' centre)	2,085
Circle Craft Co-operative, Vancouver ("Celebration of Wood" exhibit)	2,000
Victoria Four Wheelers (develop facility)	1,982.13
British Columbia Humane Trapping Committee (research humane trapping method)	29,000
Southern Cortes Community Association, Cortes Island (hall furnishing and equipment)	15,000
Vancouver-Richmond Association for the Mentally Retarded (Life Lite" disc program)	10,000
Kitsilano Inter-Neighbourhood Development Society, Vancouver (senior's and handicapped busette)	12,000
Kimberley Pottery Club (equipment)	1,607
Kinsmen Club of Mackenzie (construct community centre)	35,000
Cranbrook Double E. Boxing Club (equipment).	1,500
Vernon Cenotaph Park Sports Hall of Fame (park development)	45,000
Greater Victoria Horseshoe Club (facility)	18,529
Town of Merritt (Community parkland purchase)	122,500

BRITISH COLUMBIA LOTTERY FUND OBJECTIVES AND GUIDELINES

The British Columbia Lottery Fund has available for distribution the net proceeds gained through the conduct of lotteries in this province, (a total of approximately \$16,000,000 in 1980).

About two-thirds of the total is distributed through the grants programs of the British Columbia Cultural Fund, the Physical Fitness and Amateur Sports Fund, the British Columbia Heritage Trust, and the Health Care Research Foundation.

The remaining funds, through the Direct Grants Program, provide a possible source of financial assistance for worthwhile projects not eligible for funding through the above mentioned, or other government grant programs.

Assistance is for one-time capital costs, not for on-going or operational expenses.

To be seriously considered, projects must be of proven value to the community, generally accessible to the public, and of wide interest and appeal.

Approved grants for the purchase, construction, or renovation of facilities are normally for up to one-third of total costs.

Approved grants for the purchase of equipment used by a team or group are normally for up to one-half of total costs.

Grants are not normally approved for:

- 1) Debt or deficit payment.
- 2) Profit oriented operations.

- 3) Endowment funds, memorials, charitable donations, etc.
- 4) Projects undertaken by individuals or unorganized groups.
- 5) Studies, conferences, seminars, etc.
- 6) Local festivals and celebrations.
- 7) Preparation, publication, production or purchase of books, brochures, maps, films, recordings, etc.
- 8) Advertising or promotional campaigns.
- 9) School, team, community or emergency vehicles.
- 10) School projects or programs.
- 11) Playground, nursery or pre-school equipment and facilities.
- 12) Personal sports equipment including team uniforms.
- 13) Fire department equipment and facilities.
- 14) Ski Patrols.
- 15) Churches.
- 16) Halls owned by, and operated primarily for the benefit of private clubs, lodges, fraternal organizations, etc.



APPENDIX E

Information on Direct and Bulk Grants from Lottery Fund

- E.1 Summary of Grants from Lottery Fund, January 1975 to December 1980
- E.2 News Release of Ministry of Provincial Secretary and Government Services, August 30, 1979 for period April 6 to July 15, 1979

SUMMARY OF GRANTS FROM LOTTERY FUNDS
MADE BY THE MINISTRY OF PROVINCIAL SECRETARY AND GOVERNMENT SERVICES
FROM JANUARY 1975 TO DECEMBER 1980*

<u>PERIOD</u>	<u>BULK GRANTS</u>	<u>DIRECT GRANTS</u>	<u>TOTAL GRANTS</u>
Jan. 1 '75 - Dec. 15 '78	\$ 12,594,350.	\$ 6,411,949.	\$ 19,006,299.
Dec. 16 '78 - Apr. 6 '79	4,414,000.	4,015,986.	8,429,986.
Apr. 6 '79 - July 15 '79	3,402,463.**	3,328,884.**	6,731,347.
July 16 '79 - Oct. 30 '79	943,000.	2,431,449.	3,374,449.
Nov. 1 '79 - March 31 '80	2,903,360.	1,320,118.	4,223,478.
April 1 '80 - June 30 '80	2,415,384.	1,258,832.	3,674,216.
July 1 '80 - Sept. 30 '80	2,921,486.	1,901,429.	4,822,915.
Oct. 1 '80 - Dec. 31 '80	<u>181,069.</u>	<u>1,273,463.</u>	<u>1,454,532.</u>
TOTAL	<u>\$ 29,775,112.</u>	<u>\$ 21,942,110.</u>	<u>\$ 51,717,222.</u>
PERCENT	58%	42%	100%

* Summarized from Ministry's News Releases

**The distribution between bulk and direct grants is estimated for this period. News release attached.



Province of
British Columbia

NEWS RELEASE

Ministry of Provincial Secretary
and Government Services

For Release: August 30, 1979

LOTTERY DETAILS RELEASED

Over \$6 million in lottery grants are detailed in the provincial government's quarterly summary of grants, released today by Provincial Secretary and Minister of Government Services Hugh Curtis.

The granting period covered by the summary is April 6 to July 15, 1979. A total of 326 grants were made during this period, including 199 grants by the special events fund.

"Exactly \$6,178,884 in grants was issued by the lottery fund during the three months reporting period," said Curtis.

"An additional \$552,463 went to recipients of 199 special events fund grants; the special events fund receives its monies entirely from lotteries. These grants are listed in the summary sheets."

The minister also noted that the direct lottery grants included \$2 million awarded to the British Columbia physical fitness and amateur sports fund for the continued promotion of sport and fitness in the province.

Curtis called attention to a number of larger grants stating "they are representative of the range of activities and interests served by the lottery fund." Among these were \$400,000 to the City of Vancouver for renovations and improvements to the Orpheum Theatre, \$200,000 to the Fort St. James Ski Club for a new T-bar, and \$120,000 to the Kootenay Doukhobor Historical Society for heritage reconstruction.

Curtis went on to say that aside from these large grants he felt "the lottery fund plays an equally vital role by making hundreds of smaller grants available to many organizations for a great variety of activities throughout our province." He added that by doing so "the lottery fund is enriching the lives of many citizens."

DISBURSEMENTS FROM THE LOTTERY FUND
FROM 6th APRIL, 1979 - 15th JULY, 1979

Peace River/Liard Regional District (Fort St. John Park)	\$ 25,000
Sunshine Valley Little People's Centre (facilities and renovations)	6,000
Shawnigan Junior Booster Baseball Club (equipment and playing field)	1,400
Duncan Summer Festival (1979)	1,500
Campbell River District Association for the Mentally Handicapped (summer program)	4,800
James Bay Community Centre - Victoria (equipment)	1,125
Coquitlam Foot Bridge	99,100
Squamish International Festival (1979)	300
City of Vancouver (Orpheum Theatre renovations)	400,000
Triple 'C' Ranch - Surrey (film)	5,000
City of Fernie (arena renovations)	41,330
Vial of Life (expand program)	55,000
Multiple Sclerosis Society of Canada - B.C. Division (special transportation facilities)	11,677
Fort St. James Ski Club (T-bar)	200,000
Smoke Detectors (provincial program for senior citizen homes)	241,420
Canada Week Committee - Vancouver (July 1st celebration)	35,000
Fairfield Activity Centre - Victoria (capital improvements)	8,977
Ishtar Transition Housing Society - Langley (home and furnishing for crisis accommodation for women and children)	15,000
Nature Conservancy of Canada (film)	10,000
Shuswap Summer Art Program (1979)	1,300
Powell River Clansmen Pipe Band (equipment)	8,000
South Burnaby Lawn Bowling Club (clubhouse improvements)	4,500

East Kootenay Amateur Radio Club - Kimberley (equipment)	\$ 5,000
Vancouver East Cultural Centre (renovations)	45,000
Rotary Club of Chemainus (upgrade Crofton boat launch)	8,000
Kaleidoscope Theatre Productions - Victoria (facilities)	20,000
Penticton and District Retirement Service (bus)	13,682
Burnaby Arts Council (tent shelters in park)	18,000
Outward Bound British Columbia (expand program)	50,000
Westrob Mines Town Citizens - Tasu (equipment)	4,234.65
Village of Alert Bay (tennis court)	10,000
Silver Threads of Victoria (equipment and shelving)	11,544
Silver Threads of Sidney (enlarge kitchen)	30,000
Kelowna Lawn Bowling Club (debt retirement)	5,000
Cowichan Valley Athletic Club (pole vault landing mats)	3,895
Burns Lake Curling Club (new ice machine)	15,000
Willow Dialysis Association - Vancouver (equipment)	7,476.48
Burnaby Lake Aquatic Club (rowing shells)	12,000
Fortune Bus Society - Enderby (bus)	10,000
Victoria R.E.A.D. Society (debt retirement)	60,000
Shawnigan Players - Shawnigan Lake (production costs)	775
Kitsilano Showboat Committee - Vancouver (equipment)	6,268.02
Hornby Island Clinic Committee (equipment)	3,000
Salt Spring Island Golf and Country Club (sprinkler system)	75,000
Peninsula Babe Ruth League - Sidney (improve facilities)	2,300
Vancouver Public Aquarium (aquatic science centre)	550,000
International Year of the Child and the Family (to Special Events Fund)	750,000
Lakehill Girls Little League Softball - Victoria (equipment)	2,000
Sidney Island (partial payment, in-trust, toward parkland purchase)	10,000

Salt Spring Island Public Library Association (expand premises)	\$ 37,000
Princeton and District Multi-Purpose Arena (improvements)	36,000
Rossland Heritage Society (restoration of historic hall)	90,200
Ladner Centennial Sports Festival	10,000
East Kootenay Community College - Cranbrook (road race)	400
Tunnel Town Ladies Curling Club - Delta (host provincial championships)	1,000
Cowichan District Teachers Association (sponsor student forum)	273
Maritime Museum of B.C. - Victoria (relocation study)	13,500
Quesnel Kangaroos Hockey Club (co-hosting Western Canada playoffs)	1,000
Dawson Creek Recreation Commission (summer camp for handi-capped children)	1,000
Dawson Creek Ski Club (lodge)	200,000
Physical Fitness and Amateur Sports Fund (1979-80 fiscal allocation)	2,000,000
British Columbia Heritage Trust (Craigflower School restoration)	100,000
Lantzville Improvement District (purchase land for park)	30,000
Ashcroft Chapter, B.C. Council for the Family (town beautifications)	300
Queensborough Old Age Pensioners Association - New Westminster (festival)	5,000
Nicola Valley Baseball Association - Merritt (improve facilities)	3,000
South Okanagan Horseshoe Association - Osoyoos (clubhouse)	10,000
Saturna Island Lions Club (sports complex)	20,000
Village of Port Edward (gas warning system)	15,200
Cowichan Bowmen (upgrade facilities)	24,598
Summerland Youth Centre Association (improvements)	2,203

Rock Creek and Boundary District Fall Fair Association (facilities)	\$ 4,800
Langley Riders Society (improve facilities)	30,000
South Peace Historical Society (museum facilities)	250,000
Village of Fruitvale (upgrade community hall)	40,000
Kootenay Doukhobor Historical Society (heritage reconstruction)	120,000
Southlands Elementary School - Vancouver (track)	2,000
Sidney and North Saanich Community Hall Association (improvements)	18,240
Saanich Silver Threads (equipment)	10,435.85
Douglas District Boy Scouts Association - Victoria (restore historic hall)	80,000
Vancouver Sea Festival (1979)	35,000
Oak Bay Parks and Recreation Commission - Victoria (handicapped access)	10,000
Canadian Diabetic Association (capital costs of new camp for diabetic children)	35,115
Immaculate Conception Parish - Kelowna (facilities)	25,000
43 travel grants to various organizations and schools	12,925

The following grants have been awarded by the British Columbia special events fund since April 1, 1979. As the name indicates, the fund administers monies provided by the lottery fund for special projects not falling under the usual grants criteria.

Cariboo Hill Secondary School Boys' Rugby Team - Burnaby	\$ 2,500
Army, Navy and Air Force Veterans in Canada Soccer Team	2,000
Fort Nelson Oldtimers Hockey Club	500
Pocomo Rugby Club - New Westminster	650
Duncan Aquannis Swim Team	2,000
L.V. Rogers Secondary School Concert and Stage Bands - Nelson	1,000
Fraser Valley Winter Club Pee Wee 'A' Hockey Club - Hope	1,000
D.W. Poppy Secondary School Band - Langley	2,000
Rossland Warriors Oldtimer Hockey Team	200
St. Mary's Boys Band - Mission	2,000
B.C. Ringette Association - Aldergrove	750
Bud Willis - Kamloops (Boston marathon)	200
Houston Secondary School	1,000
McKim Elementary School - Kimberley	350
U.B.C. Kendo Club - Vancouver	150
Darlene Corbett - Burnaby (Baton championship)	250
Capilano College - Vancouver	750
Maureen Jones - North Vancouver (world Irish dance championship - Dublin)	250
Hancock House Publishers Limited - Victoria	2,000
Outward Bound - Keremeos	750
U.Vic. Debate and Speech Society - Victoria	400
Northern B.C. Chess Association - Prince George	200

Cambie Junior Secondary School - Richmond	\$ 661
Thomson Valley Rock Club - Kamloops	350
1st Nanoose Cub Pack - Parksville	1,500
New Westminster Girls' Volleyball Club	1,500
Kamloops Rugby Club	3,000
Chemainus Secondary School Soccer Team	1,500
Shawnigan Lake Soccer and Field Hockey Teams	2,000
Vancouver Field Hockey Team	750
Rene Mason - Nanaimo (Baton championship)	750
Richmond South Arm Soccer Club	1,500
High School Rodeos of British Columbia	6,000
Glenayre School French Immersion Class - Port Moody	1,500
Burnaby Rascals Band	500
Maple Ridge Archery Club	2,750
Sir Alexander MacKenzie School - Hagensborg (cultural exchange - Jamaica)	3,500
Courtenay Legion Branch 17 Youth Pipe Band	2,500
Y Sunbeams Gymnastic Club - New Westminster	1,000
North Surrey Band and Chorus	8,000
New Westminster Minor Lacrosse Division #5	1,000
Newcombe Singers - Victoria	1,500
West Whalley Junior Secondary School Band and Choir	650
Summerland Secondary School Stage Bands	1,100
North Vancouver Youth Band	6,000
British Columbia Chess Federation	3,000
A.L. Fortune Secondary School Band and Choir - Enderby	1,000
Mark Creer - Vancouver (scientific voyage, Operation Drake)	750
Georgia Coombes - Surrey (scientific voyage, Operation Drake)	750
Ootsa Lake Elementary School - Burns Lake	275

Powell River Boys' Choir	\$ 2,500
Western Institute for the Deaf	20,000
Bulkley Valley Volleyball Club - Smithers	1,000
Jennifer Suchy - West Vancouver (scientific voyage, Operation Drake)	750
Victoria High School Band Association	1,200
P.H. Brown - Vancouver (Bordertown collection purchase)	10,000
The Jack Cook School - Terrace	1,000
Bayou Juvenile Girls' Volleyball Team - Victoria	750
Saanich Pee Wee Lacrosse Travel Fund	1,500
Labrador Club of B.C.	500
City of Victoria Pipe Band	3,000
College of New Caledonia - Prince George	2,000
Lansdowne Junior Secondary School Vocal Jazz Ensemble - Victoria	350
Lambrick Park Secondary School Performing Band - Victoria	750
Max Cameron Secondary School Band and Choir - Powell River	1,000
Gladstone Secondary School Choir - Vancouver	2,000
Port Alberni Gymnastics Academy	500
George Cottyn - Victoria (radio controlled soaring tournament)	225
William Carley - Victoria (radio controlled soaring tournament)	225
Kamloops Japanese Cultural and Martial Arts Society	550
Prince George Lions Boxing Club	700
Loyal Order of Moose, Powell River Lodge 1667	350
Auxiliary to John Herb Gymnastics Academies - Victoria	750
Victoria Curling Club	100
Colquitz Junior Secondary School Concert Band - Victoria	750
Vancouver Rowing Club	2,000
Canadian Embassy, Bonn, West Germany	1,000

Kitsilano Boys Band Alumni - Vancouver	\$ 8,000
Les Echos du Pacifique - Maillardville	1,500
Kootenay Kiltie Pipe Band Highland Games	2,000
Western Canada Amateur Ballroom Dancing Association	500
Trojan Police Rugby Team - Vancouver	1,750
Victoria Bluebirds Majorettes and Drum Corps	700
B.C. Highland Dancing Association	1,200
Interior Highland Dancing Association - Kamloops	500
British Columbia Lacrosse Association	1,500
Port Moody Sparks Girls Soccer Team	750
Chante-Clair Choir - Coquitlam	2,500
H.D. Stafford Junior Secondary School Band - Langley	1,615
Catch Our Spirit Baton Twirling Team - Surrey	500
MacArthur Park Secondary School - Kamloops	700
Cheryl Kowalsky - Parksville (Baton championship)	250
Vancouver Kiwanis Pipe Band	2,500
Vi Cameron School of Dancing Nick Nack Club - Surrey	1,000
San Josef School Alternate Class - Holberg	275
Victoria Firefighters Senior Babe Ruth League	300
Prince George Track and Field Club	300
Cowichan Minor Football Association - Duncan (3 teams)	900
Saanich Hornets Canadian Football Club - Victoria	900
North Shore Nationals Soccer Club - North Vancouver	300
B.C. Canada Week Committee (province-wide Canada Week celebrations)	10,000
Shuswap Junior Secondary School - Salmon Arm	4,000
Merritt Longhorns Junior Drum and Bugle Corps	1,500
Hillside Secondary School Cheerleading Squads - West Vancouver	500
Quesnel Figure Skating Club	700

Triumph Street Pipe Band - Vancouver	\$ 2,500
Alexander Elementary School - Kitimat	300
Booth Memorial Junior Secondary School - Prince Rupert	300
Anchor Garage Softball Club - Courtenay	300
Independent Order of Foresters Softball Team - Victoria	200
Victoria Cablevision Baseball Club	200
Henderson Realty Pony League Baseball Club - Victoria	200
Kimberley Bavarian Soccer Club	300
Rossland Labatt's Soccer Club	300
North Delta United Soccer Club	1,000
Haisla Youth Club - Kitimat	600
Trail Caledonian Society	1,500
Langley Centennial Pee Wee Lacrosse Team	1,500
Saanich Lacrosse Team	400
North Vancouver Babe Ruth League (3 teams)	900
Capital Builders Softball Club	300
Vampire Sports Organization	300
Prince Rupert Rugby Football Club	300
Seaton Track and Field Club - Vernon	300
Victoria Firefighters Slo-Pitch Team	300
N.W. Zone 7 Golf Team - Terrace	300
Queen Charlotte Secondary School	100
Fraser Lake Track and Field Club	50
People to People Petition for Canadian Unity (circulation of petition)	5,000
Canadian Archery Team (funding of B.C. delegate)	500
Jennifer Lindsay - Sidney (Scottish dancing, Edinburgh)	250
Juan de Fuca Coho Swimming Club Team - Victoria	750

Italian-Canadian Soccer Team of Port Alberni	\$ 1,000
Gibsons Sea Cavalcade, 1979	500
B.C. Babe Ruth Baseball District #4 - Coquitlam (3 teams)	900
King George Fastball Team - Cumberland	300
Vancouver Island Police Softball Team - Duncan	300
Masset Eagles Swim Club	300
Breakers Women's Softball Team - Victoria	300
Fort St. John Stingrays Swim Team	300
Smithers Totems Hockey Club	300
Penticton and District Retirement Complex Tune Agers	300
Clinton School Majorettes	300
Babe Ruth Baseball District 6 - Campbell River (3 teams)	900
Valemount Recreation Commission	300
Fernie United Soccer Club	300
Vancouver Islanders Intermediate 'A' Lacrosse Team - Victoria	300
Mr. Mike's Babe Ruth Baseball - Parksville	300
Pisces Swim Club - Prince George	300
Maple Ridge Secondary Canoe Club	300
Vancouver Police Pipe Band	300
MacSween Highlanders Div. 3 Soccer Team - North Vancouver	300
Gizeh Temple Motor Corps - Burnaby	250
Central Okanagan Girls Volleyball Club - Kelowna	150
Richmond Kajaks Track and Field Club	300
Backwoods Corner Junior Girls Softball Club - Prince George	300
Cowichan Valley Athletic Club - Duncan	300
Powell River Track and Field Club	300
Esquimalt Softball Association	300
Gold River Track and Field Club	300

Powell River Moose Minor Baseball, Junior Babe Ruth Div.	\$	300
Creston Columbians Soccer Club		300
District #43 Juvenile Baseball Auxiliary - Coquitlam		300
Vernon Girls Trumpet Band		1,000
Bemisters' Welding Senior Women's Softball Team - Victoria		300
Goldstream Hotel Ladies' Softball Team - Victoria		300
Twain Sullivan Elementary School Soccer Team - Houston		60
The Mels Water Jets Fastball Team - Fort St. John		300
Powell River Senior Babe Ruth Baseball Team		300
Kitimat Rugby Football Club		300
Nanaimo and District Track and Field Club		300
Pacific Metro Baseball League - Vancouver		300
Nelson Track Club		300
Port Clements Recreation Commission		300
North Kamloops Kami Cabs Midget Boys' Softball		300
Flying 'Y' Track and Field Club - Victoria		300
Cassiar Softball Association (3 teams)		900
Coquitlam Baseball Association		300
Vanderhoof Junior Fastball Club		300
Shuswap Track and Field Club - Salmon Arm		300
Kamloops Bears Softball Club		300
West Vancouver Baseball Association		300
North Kamloops Bantam Boys Softball		300
Nanaimo District Senior Secondary Girls Field Hockey Team		300
Islanders Volleyball Team - Nanaimo		300
Nelson Aqua Ski Club		300
Fort St. John Speed Skating Club		300
Houston Pee Wee Girls Softball		300
Killarney Minor Baseball - Vancouver		300

Sooke Legion Pee Wee Boys Softball Team	\$ 300
Langford Senior Women's Softball Association	300
Shadowfax Track and Field Club (Clearwater)	300
Carnarvon Pony League All-Stars - Victoria	300
C.N.I.B.	5,258.38
Smoke Detector Program	126,341.65
International Year of the Child Projects	20,254.60
Urban Transit Authority (experimental conversion of buses to carry people in wheelchairs)	51,826.88
Indian Artifacts Purchases	128,996
Humane Trapping Projects	1,000