

INTEGRITY **ACTION PLAN**

ACCOUNTABILITY. TRANSPARENCY. TRUST.

THE FOUNDATION OF OUR FUTURE.



BACKGROUND

The Greater Toronto Hockey League (GTHL) has, over a period of time and in several ways, become aware of certain allegations that some of its member organizations and their management (“Clubs” and “Club Officials”) and/or officials managing their teams (“Team Officials”) have failed to apply proper internal financial controls in accordance with GTHL regulations and generally accepted financial practices, or in some cases have engaged in improper financial transactions.

The Integrity Action Plan, as preliminarily outlined herein, is being developed in response. This document is not a final Plan. It is fluid and will continue to be a work in progress. See the summary of the critical path summarized following for steps that will be carried out to engage in consultations and to draft specific policies and regulations as an integral part of the Action Plan. For clarity, this Plan applies to Club and Team financial management – as the allegations do not apply to the GTHL itself, which publishes audited financial statements annually and a breakdown of its costs. However, the Plan contemplates potential new GTHL policies to regulate Club/Team financial governance.

Sound Governance. Trusted Leadership. Unified Growth.

CAVEATS

At the outset of this document, the GTHL issues **3** caveats:

- **First, the allegations noted below apply to a small number of organizations and individuals relative to the size of the GTHL in terms of Club, Team and player-family participation (being the largest minor hockey league in the world). The allegations that have been made do not apply to the large majority of Club and Team Officials who devote countless hours to organizing and operating their teams, managing their finances and delivering first class hockey programs and enjoyable experiences to thousands of GTHL players and their families. The GTHL recognizes and commends the good work done by all those people every week - on the ice and off – including Club members, their directors and officers, Team coaches, trainers, managers and many other supporters.**
- **Secondly, as noted in the following, a number of the allegations made by complainants about improper transactions appear, after investigation, to have been based on rumours or innuendo. They have not been substantiated. However, we also recognize that where an alleged action has not been proven applying a “balance of probabilities” standard, that does not, of course, prove the opposite. That is, it does not mean that the particular action did not occur or that there is no need for strengthening financial controls and governance.**
- **Third, we note that it is quite possible that there may be other issues beyond those identified below that will come to light and will require investigation and analysis. The GTHL is committed to addressing other issues when raised and as information becomes available.**

GENERAL APPROACH TO REFORM



Ensuring financial transparency and accountability is a fundamental part of the GTHL's mission and values. The GTHL regards any weaknesses in GTHL policies or Club/Team practices with respect to financial management as worthy of examination and improvement. Furthermore, the Ontario Not-For-Profit Corporations Act (ONCA) now imposes on the directors of all Clubs a duty of care and personal liability for money or property improperly paid or distributed. (ONCA s. 39 and 43) This raises the bar with respect to Club directors' and officers' duty to exercise care, diligence, and skill in ensuring that the Club's financial affairs are conducted properly. By the same token, the GTHL seeks to find solutions which are efficient and practical. In that respect, the GTHL seeks solutions which do not impose overly burdensome obligations on Club and Team Officials (many of whom who are volunteers and are already stretched to capacity), and which will not materially increase costs, making the game less accessible to players and families. With that in mind, this Action Plan contemplates consultations with and opportunities for Club and Team Officials and participant families to comment on appropriate solutions.

CONTENT OF THIS ACTION PLAN

- ✓ The sources of identified issues giving rise to the need for improvements in financial governance, transparency, and risk management within GTHL Clubs and Teams;
- ✓ Highlight some key comments and recommendations from the Watt Report;
- ✓ Steps taken to date and the critical path toward solutioning; and
- ✓ Some potential short-, mid-, and longer-term actions to strengthen financial controls and risk management within Clubs and Teams.

SOURCES

The issues addressed in this Action Plan have arisen primarily from **3** sources:

1 WATT REPORT

In April 2023, the GTHL Board of Directors appointed the Hon. David Watt, KC (retired Justice of the Ontario Court of Appeal) as Special Integrity Commissioner (SIC) to conduct an independent review of certain alleged financial improprieties. The SIC engaged as investigator, Mr. Michael Davis, an experienced former Toronto Police detective who has extensive knowledge of the structure of minor hockey. The SIC's findings, known as the "Watt Report" (December 19, 2024), reported on the investigation and his analysis of such allegations, outlined certain concerns with GTHL governance policies regulating its member organizations, and identified recommendations for reform.

2 ORGANIC COMPLAINTS

Pursuant to Hearings conducted (or to be conducted or which were settled) from time to time by adjudicating panels (which are comprised of GTHL Directors) other financial governance issues have been identified arising from other complaints about the financial management of certain GTHL Clubs or Teams.

SOURCES

3 GTHL SURVEYS

The GTHL derived certain information relating to Clubs' and Teams' operations from surveys of GTHL families conducted in 2022, 2023, and 2024. There were approximately 4,600 aggregate responses from families pursuant to those surveys. The surveys sought to obtain insights into the experiences of parents and kids in the GTHL. Among a number of other things, questions were posed pertaining to cost of participating in GTHL hockey, GTHL culture, access to information about Club and Team fees, and the GTHL complaint procedures available to participant families.

KEY FINDINGS FROM THE WATT REPORT

The Watt Report identified several key areas of concern raised by complainants, including:

LACK OF TRANSPARENCY IN CLUB FINANCES

It was alleged that some Clubs or Teams failed to disclose key financial information to parents and the GTHL, violating Rule 5.11 regarding financial management.

CONFLICTS OF INTEREST IN TEAM SELECTION & COACHING COMPENSATION

Some clubs engaged in practices where parents paid for coaching positions, creating potential conflicts regarding player selection and ice time allocation.

ALLEGED FINANCIAL IMPROPRIETIES IN CONNECTION WITH CLUB TRANSFERS OF CONTROL

Multiple allegations were made regarding Clubs being "sold" for significant sums, despite their not-for-profit (NFP) status.

INCONSISTENT COMPLIANCE & WEAK ENFORCEMENT

Investigations were hindered by non-cooperation, lack of documentation, and absence of proper financial oversight mechanisms.

While only one specific allegation was substantiated by concrete evidence, the investigation revealed patterns of misconduct, lack of financial transparency, and governance failures that necessitate structural changes to restore integrity and public trust in the league. The GTHL Action Plan will address these findings and establish concrete steps toward accountability, transparency, and sustainable governance.

SOME **COMMENTS** FROM THE WATT REPORT

The GTHL will release a summary of the Watt Report on April 9. Below are some comments from the Report particularly relevant to the need for action.



GENERAL COMMENT:

In evaluating evidence to decide whether an allegation has been established, irrespective of the standard of proof required of the proponent, triers of fact approach the issue holistically. Essential to their assessments are evaluations of the credibility of the source of the evidence, the witnesses who testify, and the reliability of what they say.



REGARDING ONE OF THE ALLEGATIONS:

No evidence supports the specific allegation, much less establishes its truth with any degree of certainty. Yet, if true, the absence of a “cap” on the coach’s salary, coupled with the opportunity for parents to contribute to that salary, requires action by the league. It is a situation ripe for abuse. In coach and player selection. In ice time and other benefits for players whose parents have the financial resources and contribute to the coach’s salary. It creates and perpetuates an uneven playing field. The haves and the have nots. All parents are not similarly situated. And the extent of disclosure made to all parents about the sources and amount of funds is unclear. The next allegation makes it clear that this claim is not a one- off.

WATT REPORT COMMENTS



REGARDING ANOTHER SPECIFIC ALLEGATION:

Despite a deficit of credible and reliable information to establish the specific conduct alleged, in combination with the immediately preceding allegation, I am satisfied that the league must take proactive steps to ensure that the conduct alleged is eradicated. If detected, it warrants severe sanctions for all involved.



GENERAL COMMENT:

Despite the inherent frailties of this information as a means of proof of specific allegations of impropriety, the frequency and similarities in the allegations make it reasonable to believe that rule infractions are not confined to the ice surface. Financial improprieties in the operation of clubs or teams within a club structure may well have an impact on player selection and their level of on-ice participation; the selection of coaches; the costs to parents of their child's participation; and the not-for-profit status of clubs.

As noted, the Watt Report findings highlight the urgent need for regulatory reform, enhanced enforcement, and independent oversight.

ISSUES ARISING FROM HEARINGS AND SUBMISSIONS

In the course of submissions to the GTHL Membership Committee and in connection with Hearings held, pending and settled, several financial issues have arisen.

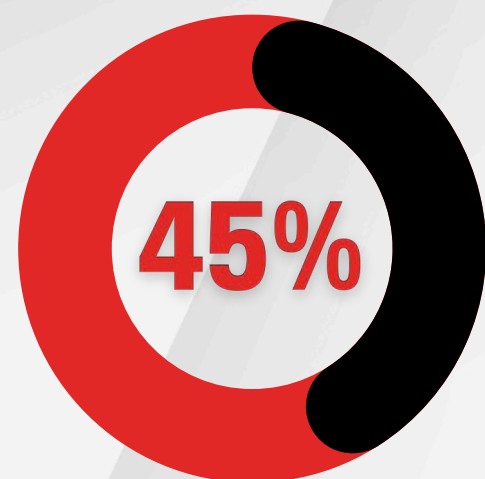
- Need to clarify Club and Team financial information and policies
- Need to ensure fair and equitable intra-Team decision making about budgets, major expenditures, etc.
- Need to provide consistently-presented and timely financial information to parents well ahead of player registration
- Obligations on Clubs to seek resolution of parent complaints through mediation or an initial ADR process
- The nature of the relationship between the GTHL as the oversight body and Club members
- “Creeping changes of control” through a series of steps
- Related party transactions as part of membership changes
- Means of streamlining processes and accelerating Hearings decisions

FINANCIAL ISSUES IDENTIFIED FROM FAMILY SURVEYS



The family surveys conducted in 2022, 2023, and 2024 asked questions pertaining to attitudes and opinions on complaint procedures in the GTHL and on costs of hockey.

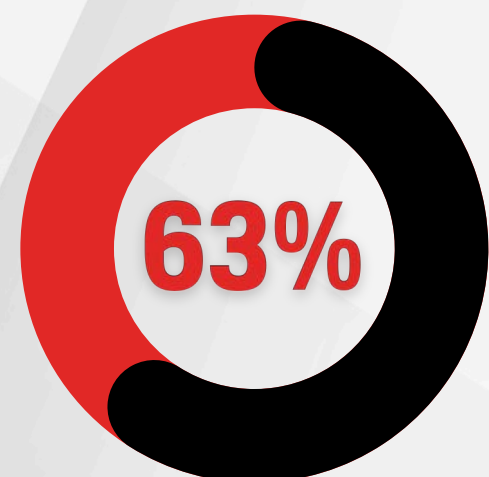
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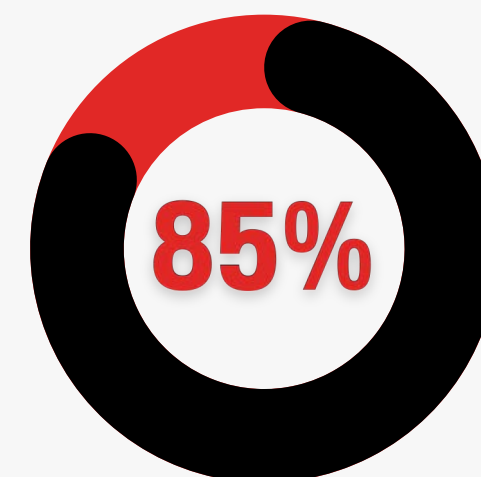
feel that if they made a complaint to a Club or to the GTHL it would not be adequately acknowledged and respected.



of parents support or strongly support a hotline for complaints.



of parents don't know how to voice complaints.



of parents support the implementation of policies that cap or control fees charged by clubs and teams.

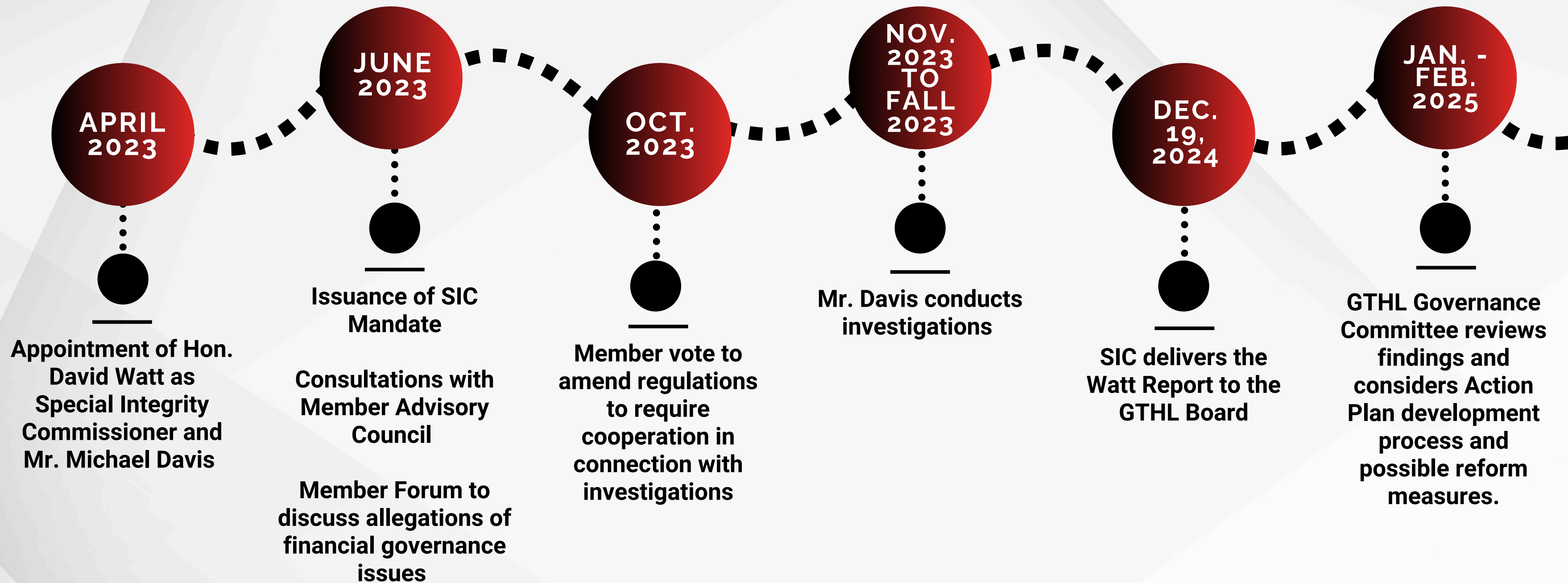
In answer to the question: "Which of the following factors might cause your child to stop playing organized hockey?" - cost is cited as the most prevalent cause by a significant margin (44%).

SUMMARY OF IDENTIFIED AND ALLEGED ISSUES FROM COMPLAINTS, INVESTIGATIONS, SURVEYS AND MEDIA REPORTS:

- **Some Teams are not following control requirements for budgets, adjustments, reports to parents**
- **Some Clubs/Teams are budgeting for and charging exorbitant amounts for high payments to coaches and up-charging for ice rental, equipment, other materials with no simple transparent way for families to compare costs of different teams**
- **Some Clubs may be “selling or leasing” (directly or indirectly) control of a team to an individual for a sum of money. Such control may include:**
 - Control re: selection of team officials, selection of players, operations, etc.
 - Team Official may be paid significant sums of money from an individual parent to coach their child's team
- **Refusal by Team and Club Officials and complainants to cooperate in investigations or provide information to GTHL**
- **Some Clubs are being bought and sold for substantial sums:**
 - Not operating as NFP entities
 - Hidden cost to families as purchaser seeks price recovery over time



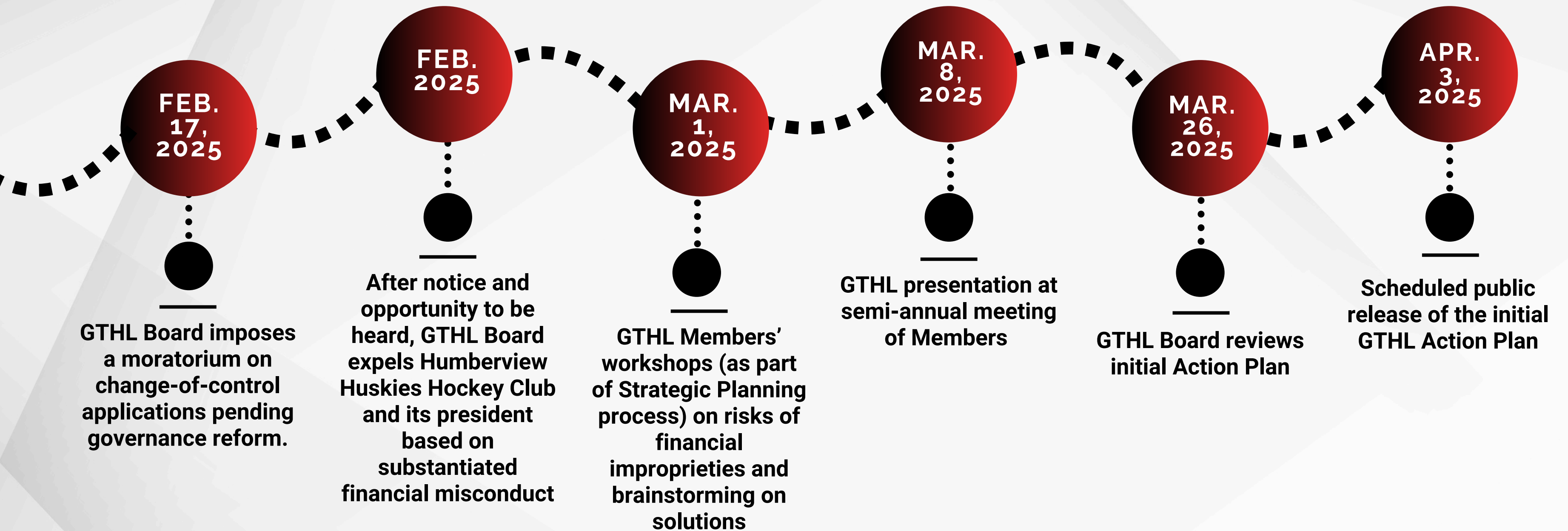
ROAD MAP OF STEPS TAKEN TO DATE





ROAD MAP OF STEPS TAKEN TO DATE

CONTINUED



CRITICAL PATH GOING FORWARD

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The Critical Path steps to be carried out in further developing and finalizing the Action Plan will involve the following:

APRIL 9, 2025

- Release of full redacted Watt Report to GTHL Members and Public

APRIL 2025

- GTHL roll-out of Parent Information Centre (PIC)
- GTHL Governance and Rules Committees drafting policies and/or regulations to implement Action Plan

APRIL - MAY 2025

- GTHL Governance Committee conducts further consultations on such policies with: Member Advisory Council, Player and Parent Advisory Council, Strategic Planning Committee and advisors, Risk Management Committee, Finance Committee, GTHL auditors, other stakeholders, etc.

MAY 2025

- Survey of GTHL families

JUNE 2025

- Notice to Members regarding new policies/regulations and open forum and/or comment collection

JULY 14, 2025

- Annual General Meeting presentation of Strategic Plan and member votes on any bylaw and regulation changes re Action Plan

POTENTIAL ACTIONS

Stronger Systems, Greater Trust: Building Financial Integrity Across the GTHL

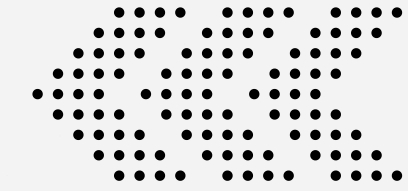
This section outlines possible immediate, mid-term, and long-term reforms to address systemic issues identified in the Watt Report, issues arising from Hearings, and issues identified in family surveys as described above.

Elevating Standards: Financial Governance for a Stronger GTHL



A. SHORT-TERM REFORMS

(BY JUNE 30, 2025)



1 Strengthen Financial Transparency & Oversight

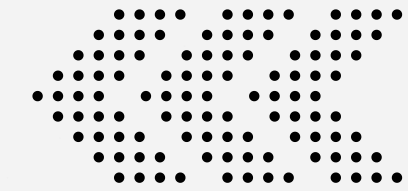
- Strengthen Club/Team oversight rules to prevent improper financial transactions
- Establish standardized template for Parent Information Centre (PIC) budget information and to be used to meet the requirements of communicating budgets to parents
- Preliminary launch and publish PIC information to GTHL community re: program descriptions and estimated costs
- Grant the GTHL Board authority to audit any club, team, or official regarding financial transactions and governance

2 Club Transfers & New Membership Approvals

- Clarify regulations stating that GTHL membership cannot be bought, sold, or transferred for financial gain
- Review and revise new member application and GTHL due diligence processes

B. MID-TERM REFORMS

(JULY 2025 – MARCH 2026)



1 Enable Growth and Greater Market Competition to reduce Costs to Participants

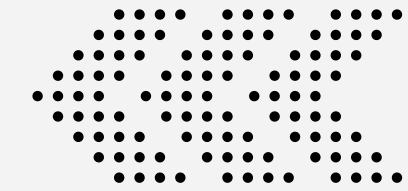
- Seek flexibility under OHF moratorium on new teams
- Seek flexibility under Hockey Canada pathways
- Work with Task Team on Unsanctioned Hockey to promote GTHL program benefits
- Review "Select" hockey structures
- Consultations with OHF, Clubs and parents re regional leagues or inter-locking schedules to reduce travel time
- Work with existing and new organizations on innovative participation models and programs to provide greater choice to families
- Address "closed shop" attitudes as barriers to growth

2 Regulation of Team & Club Budgets

- Consider some forms of limitation on compensation for team officials – including market-based through PIC or by regulation
- Require clubs to actively oversee, approve, and disclose team budgets before each season
- Implement a standardized team budget form that must be submitted to the GTHL for review

B. MID-TERM REFORMS

(JULY 2025 – MARCH 2026)



3 Accountability: Facilitating Financial Complaints and Responses

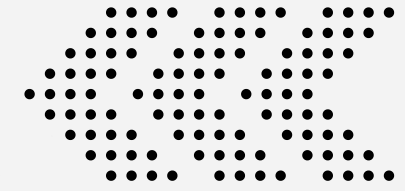
- Establish a financial information hotline/suggestion box
- Review and revise complaint in-take procedures
- Streamline adjudication management processes relating to financial issues (among others)

4 Preventing the Commercialization of Memberships

- Review and broaden definition of “change of control” and related provisions
- Mandate statutory declarations by outgoing and incoming club executives confirming compliance with not-for-profit (NFP) status and terms of transfer.
- Consider a right of first refusal in favour of the GTHL upon a proposed change of control.
- Consider “choice architecture” and pro/cons of governance mechanisms – i.e. regulations, policies, mandates, optional participation, etc.

C. LONG-TERM REFORMS

(APRIL 2026 & BEYOND)



1 Monitor & Evaluate Impact of Reforms

- Establish a monitoring system to track the effectiveness of financial disclosure rules, governance changes, and ethical oversight
- Conduct annual reviews to refine compliance mechanisms

2 Strengthen Oversight on Team Operations

- Regular spot audits of club finances and governance practices
- Develop a permanent independent Integrity & Compliance Office responsible for continuous oversight

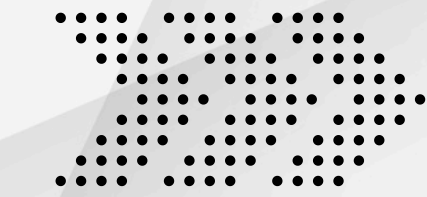
3 Introduce Legislative Safeguards for Minor Hockey Governance

- Advocate for provincial policy changes ensuring greater oversight and accountability in not-for-profit sports organizations

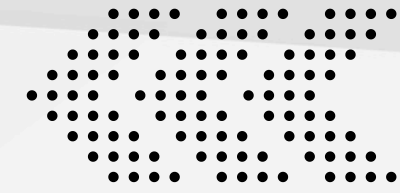
OVERSIGHT & IMPLEMENTATION

The GTHL Governance Committee will oversee the implementation, monitoring, and enforcement of these recommendations.

- Quarterly progress reports will be issued to GTHL members and the general public.
- Failure to comply with new governance rules will result in disciplinary action, financial penalties, or expulsion.



A NEW ERA OF **INTEGRITY & ACCOUNTABILITY**



With these reforms, the GTHL is taking decisive action to uphold transparency, prevent financial improprieties, and ensure ethical governance. This plan lays the foundation for long-term accountability in minor hockey administration. The GTHL looks forward to working with all stakeholders in developing and executing on this Action Plan.