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Author: John Lorinc

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To many Canadians who tuned in to the WE saga, which seemed to culminate last week with the organization's decision to shutter the Canadian operation, the story of its precipitous demise was mostly about what can happen when a prominent charity gets tangled in the ruthless, perception-driven world of politics.

To those in the philanthropic sector, however, WE's story has been about something quite different: the narrative of a buzzy, founder-led charity whose eagerness to exploit its brand, networks, and revenue formula produced a celebrity-studded money-making machine that neither looked nor acted, well, charitable.

The telling detail, and one that was apparent to anyone who cared to look closely, has to do with WE's legal complexity.

WE's story, in fact, calls to mind the early 1990s demise of one of the most closely watched Bay Street firms of the time, a giant holding company called Edper. Two members of Montreal's Bronfman family controlled the firm, which owned stakes in an infamously complicated tangle of interconnected subsidiaries – some private, others publicly traded – with interests in dozens of companies, from mining and real estate to insurance and publishing.

While the company made many people rich, Edper's relentless self-dealing and accounting sleights of hand also drew the attention of *The Globe and Mail*'s Kimberley Noble, an investigative business reporter determined to throw open the curtains. The whole edifice finally collapsed under the heft of its opaque structure after the recession in the early 1990s. Its legacy is seared into the memories of a generation of institutional investors who came to regard overly complicated or maze-like conglomerates as a kind of red-letter warning. It was important to be able to understand the business model.

One need only take a short stroll through the revealing explanatory notes of WE Charity's 2018 audited financial statements – written well before the organization's current tribulations – to see how a similar problem was smouldering in a corner of the house that Craig and Marc Kielburger built.

In those statements, WE's long-standing auditors, Kestenberg Rabinowicz Partners LLP, detailed the creation of various subsidiaries and all manner of non-arm's length transactions, as well as the establishment of two foundations and the presence on the balance sheet of tens of millions of dollars in real estate assets.

Dig a little further, and what becomes clear is how WE's income changed seismically in just less than a decade.

In 2010, much of the money was coming from "youth" – donations in cash and in kind from the high school students who attended all those raucous WE Days, bought the ME to WE swag, and went on the school-building trips in the Global South. The 2010 financial statements, in turn, were quite straightforward by the standards of charitable organizations.

By 2018, however, corporate and foundation revenue eclipsed the donations of the participants – an ironic twist, given WE Charity's origin story.

What's more, the 2018 annual report's acknowledgments pages read like a who's who of corporate and philanthropic Canada. WE's board was stacked with well-connected former board of education officials, presumably there to ensure that critical school doors remained open to WE's programs. These schools delivered the kids who flocked to the celebrity-studded WE Days, which attracted the sponsors that kept the wheels of the whole enterprise spinning. As significantly, its holdings now included the beginnings of a cluster of commercial buildings in downtown Toronto that have, as of last week, become the focus of media and likely regulatory scrutiny.

WE's dilemma, it seems increasingly apparent, was finding clever ways to either shelter or park the torrent of income that was now pouring over the transom, so as not to run afoul of the charity auditors at the Canada Revenue Agency. Its other headache was fending off unwanted investigative reporting by Canadaland's Jaren Kerr, who exposed WE's links to suppliers that used child labour, the very practice 12-year-old Craig had vowed to stop back in 1995. (WE strongly disputed the story, and Canadaland published an extensive account of the organization's responses.)

Like Edper, WE had become too complicated by half. Like Edper, the organization responded to those journalistic inquiries with lawyers instead of forthright answers. And like Edper, WE's board failed to ask itself whether those probing journalistic questions, plus all the structural opacity, required a tougher form of oversight. Indeed, the governance failures at WE were serious, starting with the Kielburgers allegedly excessive influence and control at the board table.

Instead of addressing the critiques head on, WE found a way to look and behave like a spectacularly successful charity that seemed to be making all the right philanthropic moves: demonstrating impact, capitalizing on a social enterprise business model, engaging stakeholders.

In the end, it almost doesn’t matter whether the Kielburgers pitched the federal Liberals on the $900 million volunteerism program or if Ottawa mandarins made the initial overture. Either way, it was the sheer momentum of WE’s brand and the remarkable breadth of its reach that set the ill-fated process in motion.

Although more salacious revelations are almost sure to come, the moral of the WE story may be not unlike the one that Bay Street internalized following the collapse of 1990s-style companies like Edper. Organizations that seek to attract either investors or donors need to be straightforward, transparent, and independently governed. A slick pitch and a star-studded cast of emissaries will never be a sustainable substitute.