



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

---

# Standing Committee on Finance

EVIDENCE

**NUMBER 027**

Monday, March 7, 2022

---

Chair: Mr. Peter Fonseca





## Standing Committee on Finance

Monday, March 7, 2022

• (1435)

[English]

**The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)):** I call this meeting to order.

Welcome to meeting number 27 of the House of Commons Standing Committee on Finance. Pursuant to the motion adopted in committee on Thursday, February 17, the committee is meeting to study the invocation of the Emergencies Act and related measures.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely, using the Zoom application. The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will always show the person speaking, rather than the entirety of the committee.

Today's meeting is also taking place in the webinar format. Webinars are for public committee meetings and are available only to members, their staff and witnesses. Members enter immediately as active participants. All functionalities for active participants remain the same. Staff will be non-active participants and can, therefore, only view the meeting in gallery view.

I'd like to take this opportunity to remind all participants of this meeting that screenshots or taking photos of your screen are not permitted.

Given the ongoing pandemic situation and in light of the recommendations from health authorities, as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain two-metre physical distancing. They must wear a non-medical mask when circulating in the room, and it is highly recommended that the mask be worn at all times, including when seated. They must also maintain proper hand hygiene by using the provided hand sanitizer at the room entrance. As the chair, I'll be enforcing these measures for the duration of the meeting, and I thank members in advance for their co-operation.

To ensure an orderly meeting I would like to outline a few rules to follow.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of the floor, English or French. If interpretation is lost, please inform me immediately, and we will ensure that interpretation is properly restored before resuming the proceedings. The "raise hand" feature at the bot-

tom of the screen can be used at any time if you wish to speak or alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols. Before speaking, please wait until I recognize you by name. If you're on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer.

When speaking, please speak slowly and clearly. When you're not speaking, your mike should be on mute. I would remind you that all comments by members and witnesses should be addressed through the chair. With regard to a speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

We are scheduled for two panels today. We'll have our health break in between the panels during this meeting, because it is a longer duration.

At this time, members, before I introduce the witnesses, we need to elect a first vice-chair.

I am now going to look to the clerk to run us through that election.

**The Clerk of the Committee (Mr. Alexandre Roger):** Thank you, Mr. Chair.

Pursuant to Standing Order 106(2), the first vice-chair must be a member of the official opposition.

I am now prepared to receive motions for the first vice-chair.

Go ahead, Mr. MacDonald.

**Mr. Heath MacDonald (Malpeque, Lib.):** Thank you, Mr. Clerk.

I'd like to nominate Mr. Albas for first vice-chair, please.

**The Clerk:** It has been moved by Mr. MacDonald that Mr. Albas be elected first vice-chair.

Are there any other motions?

Is it the will of the committee to adopt the motion?

**Ms. Julie Dzerowicz (Davenport, Lib.):** On division!

**Voices:** Oh, oh!

**The Clerk:** I will not take that seriously.

(Motion agreed to)

**The Clerk:** I declare Mr. Albas duly elected first vice-chair of the committee.

**The Chair:** Congratulations, MP Albas.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Thank you, Mr. Chair.

Thank you, colleagues.

**The Chair:** Thank you.

Thank you, Mr. Clerk.

Now, members, we will move to welcome our witnesses.

The witnesses for our first panel will be here from 2:30 to 4. From the Canadian Bankers Association, we have Darren Hannah, vice-president of finance, risk and prudential policy. With Darren Hannah is Angelina Mason, general counsel and vice-president.

In our second session, we will have witnesses from the Royal Canadian Mounted Police. They will be Michel Arcand, assistant commissioner of federal policing criminal operations, and superintendent Denis Beaudoin, director of the financial crime branch.

Now we will hear from our first witnesses from the Canadian Bankers Association for opening remarks.

**Ms. Angelina Mason (General Counsel and Vice-President, Canadian Bankers Association):** Thank you.

Good afternoon. Thank you for inviting the Canadian Bankers Association to appear today to participate in the committee's study of the invocation of the Emergencies Act and related measures.

My name is Angelina Mason. I am general counsel and vice-president of the CBA. I am joined today by Darren Hannah, vice-president of finance, risk and prudential policy with the CBA.

The CBA is the voice of more than 60 domestic and foreign banks that help drive Canada's economic growth and prosperity. The CBA advocates for public policies that contribute to a sound, thriving banking system to ensure that Canadians can succeed in their financial goals.

On February 15, 2022, the Government of Canada invoked the Emergencies Act and made associated emergency measures regulations and an emergency economic measures order. All financial service providers, including banks, covered by the order became legally obligated to implement the measures as stipulated by the government in the order.

Banks took great care to fully understand their obligations and to ensure that they limited the order's application to activities that fell squarely within its intended scope. The government indicated that the measures were intended to be temporary and focused only on a narrow group of individuals and entities involved in specific activities covered by the order. The vast majority of customers were not impacted by these measures.

Upon receipt of information from the RCMP regarding individuals and entities engaged in conduct or activities prohibited under

the regulations, banks acted in accordance with their legal requirements under the order. We can confirm that banks acted quickly to unfreeze accounts after the RCMP notified financial service providers that it believed that the individuals and entities previously identified were no longer engaged in conduct or activities prohibited under the regulations.

While many of these accounts have been unfrozen, it is important to remember that some accounts are still frozen to comply with court orders or proceedings.

On February 23, 2022, the government revoked the regulations and the order, and the associated legal obligations of banks and other financial service providers ceased.

Thank you for your time. I look forward to your questions.

• (1440)

**The Chair:** Thank you, Ms. Mason. Is that the end of your remarks?

**Ms. Angelina Mason:** That is the end of my remarks.

**The Chair:** Okay. Great.

We will move to members' questions. We'll start with a six-minute round, meaning that each party will have up to six minutes to ask questions.

We will start with the Conservatives.

MP Chambers, you have the floor.

**Mr. Adam Chambers (Simcoe North, CPC):** Thank you very much, Mr. Chair.

Thank you to our witnesses today. As you can imagine, this is an important study for us. In the wake of the Emergencies Act, there was a considerable amount of uncertainty. I'm hoping to help clear some of that up for Canadians and for members of this committee today.

I have a few questions, mostly on procedural issues. Let's see how far we get in the first six minutes.

Have your members previously frozen bank accounts of individuals?

**Ms. Angelina Mason:** Previous to the Emergencies Act?

**Mr. Adam Chambers:** Correct.

**Ms. Angelina Mason:** Yes. There are a couple of cases where that occurred, in part because of a court order and in part because of a court proceeding.

**Mr. Adam Chambers:** Thank you. You answered my second question—that it would follow a court order, typically.

**Ms. Angelina Mason:** Typically, yes.

**Mr. Adam Chambers:** Okay.

**Ms. Angelina Mason:** In one case, they actually applied to court, but yes, they were both court-initiated.

**Mr. Adam Chambers:** Okay. Thank you.

For clarity, this time, outside of some extenuating circumstances or the examples you mentioned of accounts that are still frozen, a court order was not presented to the banks in these cases. Correct?

**Ms. Angelina Mason:** That's correct. It was a legal obligation under the Emergencies Act.

**Mr. Adam Chambers:** Okay. Thank you.

You mentioned the legal obligation. Are you aware of any of your members who decided to not freeze a bank account after having been presented evidence or information from the RCMP?

**Ms. Angelina Mason:** I am not aware of that, no.

**Mr. Adam Chambers:** Would you be able to maybe check and confirm that answer with your members and provide that at a future date?

**Ms. Angelina Mason:** Sure. If there was an individual circumstance of that nature, I would be happy to.

**Mr. Adam Chambers:** Thank you.

Just for clarity, that's important. We have been told—Canadians have been told, this committee has been told, the general public has been told—that the decision to freeze a bank account rested solely with the financial institutions themselves. Do you feel that's an appropriate characterization of the procedure?

**Ms. Angelina Mason:** I would say we acted primarily on information provided by the RCMP that was then validated through looking at the bank records.

**Mr. Adam Chambers:** Okay. Just to clarify that point in particular, if the RCMP provided information about an individual who is a banked individual at one of your members, the extent to which you followed through on that was basically if that individual did have accounts, those accounts were affected and that individual was affected, right? I'm just trying to understand how much investigation or discussion with the RCMP went on, or was it, "Here's the name. We have the name and we will implement the freezing"?

**Ms. Angelina Mason:** The name was provided along with details of the circumstance and then the banks would look at their particular records and they could validate whether there was activity that was suggestive of the circumstances that were described.

**Mr. Adam Chambers:** Okay. Thank you.

Once an account is frozen and eventually unfrozen, are there any permanent markers or indications on a client's file to indicate that they had previously had their accounts frozen?

**Ms. Angelina Mason:** There would be something in the file indicating that a freeze had taken place, but if you're asking how that impacts the relationship, that would depend on the particular risk scenario of any bank. There wouldn't be a blanket approach.

**Mr. Adam Chambers:** Okay, and do you anticipate banks reviewing the relationships with these individuals on an ongoing basis in terms of the risk relationship?

• (1445)

**Ms. Angelina Mason:** I would anticipate that they have probably already done that, and if anyone has any concerns about the impact on their relationship with their financial institution, they should contact their financial institution.

**Mr. Adam Chambers:** Okay. Thank you.

Have you been given any guidance or instruction by the RCMP or any other government official—I'm thinking about the Privacy Commissioner—about how long you are to keep records that either are generated by your institution or passed to you from the RCMP about individuals?

**Ms. Angelina Mason:** We have not received that type of guidance. There are obligations under privacy legislation to hold information only for the purpose for which it was provided and only for as long as necessary.

**Mr. Adam Chambers:** Okay. Thank you. In exchange for your carrying out your obligations, what assurances or protections were financial institutions given by the government?

**Ms. Angelina Mason:** We did receive verbal guidance from the government on the scope of the legislation and how it would apply so that we could ensure that it was implemented within the intended narrow scope, and there is also immunity provided under the order itself.

**Mr. Adam Chambers:** So as I understand it, you could not be sued or held responsible for any mistake in applying the rule. Thank you.

I have a final question. Prior to February 14, or say the 15th, did your members have any conversations or discussions with the government or the RCMP prior to the Emergencies Act coming into force?

**Ms. Angelina Mason:** Several of our members did have discussions with the Department of Finance. We were given a heads-up that this was coming but we did not have the specific details. We received the regulations at the same time the general public did.

**Mr. Adam Chambers:** Thank you very much.

Mr. Chair, I believe that's my time.

Thank you for your willingness to answer the questions.

**Ms. Angelina Mason:** Thank you.

**The Chair:** Thank you, MP Chambers.

We are moving to the Liberals.

MP MacDonald, you have the floor for six minutes.

**Mr. Heath MacDonald:** Thank you, Chair.

Thank you to the guests here today.

I just want to say that all through COVID-19 and leading up to what we're talking about today, collaboration with the big banks has been unprecedented as far as I can remember, so I want to thank you for that, because I think rolling out those programs during COVID-19 was extremely important and your help was appreciated.

It's been said that the existing laws didn't allow the federal government to follow the money regarding illegal blockades and occupations, particularly involving crowdfunding platforms and payment service providers. Do you agree with that assessment, that the existing laws were not sufficient in targeting the financing that was sustaining the illegal activity?

**Ms. Angelina Mason:** Insofar as they weren't covered by FIN-TRAC, I would have to agree with that.

**Mr. Heath MacDonald:** Do you believe there are gaps we need to fill in our current laws and regulations regarding funds being used for illegal activity? Can you provide us in detail what we have learned that is relevant going forward? I'm assuming with crowd-funding and these types of resources that this will not be the last we see of this type of activity.

**Ms. Angelina Mason:** I can't speak to the Emergencies Act itself, but when you talk about reporting, yes, it does make sense. If you look at it, when we deal with our obligations under the proceeds of crime legislation, they continue to expand the application of that legislation to ensure that they are covering all of the appropriate players.

**Mr. Heath MacDonald:** On the previous question related to your freezing other accounts or the investigation of any accounts, how many of those accounts are still frozen at the current time?

**Ms. Angelina Mason:** I don't have the exact number of those that are still frozen. Any ones remaining that are frozen are because of orders, the court orders and the provincial orders. All of the accounts that were frozen as a result of the Emergencies Act that weren't subject to those orders are already unfrozen.

**Mr. Heath MacDonald:** There was one supreme court of Ontario, I think, judge who froze bank accounts related to that.

Did you guys play any part in that role?

**Ms. Angelina Mason:** We did not.

**Mr. Heath MacDonald:** If individuals disputed a decision to freeze their bank accounts, was there a mechanism in place for them—not a hearing but a red flag, to say that this might be a mistake, or is this a recourse or something to that effect?

● (1450)

**Ms. Angelina Mason:** If someone had a concern, they would contact their financial institution. When a financial institution was acting upon the information provided by the RCMP, then the logical step would be for them to contact the RCMP directly.

**Mr. Heath MacDonald:** Are you aware of any bank accounts that were determined to have been frozen in error?

**Ms. Angelina Mason:** Not that we are aware of.

**Mr. Heath MacDonald:** How did the banks, in conjunction with the RCMP—you mentioned this a little bit maybe in your preamble—possibly determine if one was sustaining an organized illegal activity? What is the red flag that goes up beside the obvious: a large sum of money being deposited into an account? Are there other things you look for when you're trying to make a decision as to whether or not this may be a fraudulent situation?

**Ms. Angelina Mason:** In the case of persons identified by the RCMP, we could look at the specific transactions.

If you're asking about the other duties under the order that talked about independent determinations by banks, that's a very different scenario. If you're talking about the names that are given, which is what the banks primarily relied on, then you can look at their specific activities.

Otherwise what banks relied on was their risk-based approach. They monitor in a general fashion for unusual activity, but that's a pretty high threshold. If there is threshold found to be unusual, it would then obviously be looked at with the lens of the activities that were happening within Ottawa.

**Mr. Heath MacDonald:** How much time do I have, Chair?

**The Chair:** You have a minute and a half left.

**Mr. Heath MacDonald:** On the other side, basically what I want to ask is about what changes we need to make. You've talked about the process via the RCMP to the bank. Is there anything the big banks have learned in all this, and how do they apply it to further situations relevant to the one we're in today?

**Ms. Angelina Mason:** Again, this has never been invoked before, so there was some real-time learning, including having clarity upfront as to the scope, which we were able to get. That was in large part attributed to the speed with which the act was invoked, but it was good to know upfront, for example, that no activity prior to the date of the order applied. It was also helpful to know that, once the accounts were frozen, there wasn't a forfeiture, and once they were unfrozen, it was just a release of the accounts. It's those kinds of details that typically you would see in sanctions in other legislation that have been experienced more.

**Mr. Heath MacDonald:** Thank you.

**The Chair:** Thank you, MP MacDonald. That was great, right on time.

We are moving to the Bloc and MP Ste-Marie, for six minutes.

[*Translation*]

**Mr. Gabriel Ste-Marie (Joliette, BQ):** Good afternoon, Ms. Mason and Mr. Hannah. Thank you very much for coming. I greatly appreciate it.

If I understand correctly, the RCMP provided banks and financial institutions with a list of individuals whose accounts should be frozen. The order allowed banks and financial institutions to freeze the accounts of people who were present at the occupation of Ottawa or who were funding it.

To your knowledge, did your members freeze only the accounts of people whose names appeared on the list provided by the RCMP, or did they freeze the accounts of people whose names did not appear on the list?

[*English*]

**Ms. Angelina Mason:** First, I would like to clarify that it was not a case of allowing us to freeze accounts. It was actually a legal duty to freeze accounts, and that's why we were very concerned, given that this was a legal duty, to ensure that it was applied in the very narrow scope of which it was intended.

Yes, in addition to freezing the accounts of those names, there are some situations where accounts were frozen based on the risk-based approach of identifying situations that were suggestive of participation in the activities that were covered by the order.

[Translation]

**Mr. Gabriel Ste-Marie:** I see, thank you. That's very interesting information.

On the one hand, the banks had to freeze the accounts of people who were on the list provided by the RCMP, and on the other hand, depending on how the order was written, the banks had to freeze the accounts of people who were not on the RCMP list, but who appeared to be involved in or contributing financially to the events in Ottawa.

Since the order was worded rather vaguely, from my point of view, it seems to be difficult to enforce and contains relatively little detail. I would like to return to the question asked by my fellow member Mr. Chambers. He asked you whether the Department of Finance or any other authority, be it the government or the RCMP, had provided you with clearer written instructions on how to proceed. My understanding is that they did not provide written instructions, but rather verbal instructions.

Is this correct?

• (1455)

[English]

**Ms. Angelina Mason:** So there was no published guidance as you would normally have for regulations, but that would typically be because.... Like I said, I attribute it to the timing. Typically, regulations would be published, you'd have a chance to look at them and ask questions, guidance would be developed and then everything would come into force at once.

But in this case, they were in force all at once, so that's why we had to rely on briefings from the Department of Finance to make sure we had absolute clarity on implementation.

[Translation]

**Mr. Gabriel Ste-Marie:** From my point of view, it is really difficult to have clear rules when they are not written down.

What instructions were you given in cases where the client in question had a joint account with someone who was not involved in what was happening in Ottawa? What happened to payments for rent, utility bills and child support?

Were you provided with any guidance for these particular cases?

[English]

**Ms. Angelina Mason:** Typically when an account is frozen, regardless of whether it's a joint account, it freezes the entire account. We did raise with the Department of Finance what you would call "humanitarian exceptions". There weren't any exceptions in the order itself, so we did raise with Finance what you would call "humanitarian exceptions" of the nature that you've spoken about. It was under consideration by Finance, but then became a moot point quite quickly because they had revoked the order.

[Translation]

**Mr. Gabriel Ste-Marie:** All right. Thank you. That is very enlightening.

In its order, the government did not take into consideration humanitarian reasons, as you say. For example, if a father who had to

pay child support to his ex-wife participated in the protests in Ottawa, the government's order could result in his account being frozen. Ultimately, his children and his ex-wife would bear the brunt of that decision, because of the lack of details in the application of the order. I find this unacceptable. This is, in my view, a serious problem.

Did your members have the impression that they had to play the role of police?

As you said, they didn't have to limit themselves to the list of names provided by the RCMP. They had to determine, using their own risk-based approach, if there were people who might be protesting in Ottawa or funding part of the protest.

[English]

**Ms. Angelina Mason:** In that case, they were having to identify—again, applying a risk-based approach—the specific activity, and then we would share that information with the RCMP.

[Translation]

**Mr. Gabriel Ste-Marie:** I see.

It was up to the banks to monitor people.

I still have many more questions, but I see that my time is up, so I will come back to them.

Thank you again for your answers.

**The Chair:** Thank you, Mr. Ste-Marie.

[English]

We are moving to the NDP and MP Blaikie for six minutes.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you very much.

Thank you to our witness for being here today.

You said earlier that financial institutions had a duty to freeze the accounts of people who were either participating in illegal activities connected to the demonstration or funding illegal activities connected to the demonstration, and you said that the RCMP furnished banks with evidence to the effect of whether or not certain individuals were, in fact, doing those things. Were there other sources of information that banks accepted or sought out themselves on the basis of which they froze or would freeze any account, or was it understood that only names submitted by the RCMP for this purpose would result in actionable account freezing?

• (1500)

**Ms. Angelina Mason:** To clarify, we relied primarily on the names provided by the RCMP, but there were obligations under the order separate from that, which required banks to make their own determinations. We did not rely on external information. I know there have been suggestions of leaked donor lists, etc., but we did not rely on that information at all. What banks were obligated to do was to apply their normal risk-based approach in monitoring their accounts, as they would do for money laundering or what have you, and if, looking through the lens of the activities in Ottawa, something was then flagged, then there would be an obligation to freeze.

**Mr. Daniel Blaikie:** Were any accounts frozen for individuals whose names did not appear on the list of names submitted to banks by the RCMP?

**Ms. Angelina Mason:** Yes.

**Mr. Daniel Blaikie:** Do you have a sense of the number of those names?

**Ms. Angelina Mason:** There would be a small number. Again, we're in the customer business, so we wanted to make sure that our obligations here were limited and not in any way incorrectly going to the vast majority of our customers. Based on the numbers from the RCMP, there were 180 accounts out of our largest six domestic banks with over 60 million customers.

**Mr. Daniel Blaikie:** I think we heard in other testimony that the total number of accounts frozen was something like 206.

**Ms. Angelina Mason:** Right. That would include other financial institutions, not just banks.

**Mr. Daniel Blaikie:** Okay.

What would be the other kinds of information, or where would banks access that other information that feeds into their normal risk assessment?

**Ms. Angelina Mason:** Again, it would be unusual activity. It could be anything from a large deposit, which could happen if someone appeared to be using their personal deposit account as a fundraising mechanism. As I said, there would have to be a threshold applied; it wouldn't involve looking into minutiae.

**Mr. Daniel Blaikie:** You also mentioned earlier that accounts had been frozen under other authorities, like certain court orders. When accounts are frozen, are people notified under what authority the account has been frozen?

**Ms. Angelina Mason:** In this case, the order did not address notification, so as with other court orders, it was up to banks how they would deal with it through their usual processes. In some cases, some clients were notified after the fact; in other cases, they weren't.

**Mr. Daniel Blaikie:** So at the very least, it was administratively possible for banks to disclose to their clients that their accounts had been frozen under the authority of the Emergencies Act.

**Ms. Angelina Mason:** It was, insofar as doing that wasn't prohibited.

**Mr. Daniel Blaikie:** If the government had added that as a criterion or a requirement of the legislation, would that be something your members would have been able to comply with?

**Ms. Angelina Mason:** Yes, if it were a legal obligation, we would have to comply.

**Mr. Daniel Blaikie:** This is perhaps asking for a little bit of speculation from you, but do you think it would have been useful to banks' clients to know that their account was frozen under the authority of the Emergencies Act, or that if they wanted to pursue remedies against the government, for instance, if they felt that the freezing of their account had been inappropriate, that it would be useful documentation for them to have?

**Ms. Angelina Mason:** To clarify, I want to distinguish the difference between "notice" and "information".

Even if a bank didn't notify their client, if a client contacted their bank and asked, "Why was my account frozen?", the bank would tell them.

• (1505)

**Mr. Daniel Blaikie:** Okay, and that's true today. If someone has had their account frozen and they're not sure why, they'd call their bank and ask the question, and the bank would give them the answer of what authority that account was frozen under.

**Ms. Angelina Mason:** That's correct. Yes.

**Mr. Daniel Blaikie:** I think it was mentioned earlier...and this was the first time this particular act has ever been used, namely that we've had an emergency declared under this act.

Do you think, if it happens again and similar financial measures are put in place, that it would make sense for the government to require banks to notify clients that their accounts had been frozen as a result of the Emergencies Act?

**The Chair:** Give a short answer, please.

**Ms. Angelina Mason:** That's a policy point for the Department of Finance, which we would need to consult on.

**The Chair:** Thank you.

That's the time for our first round.

Thank you, MP Blaikie.

We are moving into our second round. In this round, we're starting with the Conservatives.

We have MP Lawrence up for five minutes.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** Thank you very much.

I want to go through the process. The Emergencies Act is invoked, Ms. Mason, and then your members are contacted, presumably by the finance department, and told how the process works. Is that correct? Is that how it went down?

**Ms. Angelina Mason:** We were given a heads up that it was coming. We weren't given the details of the specific regulations until they were published.

**Mr. Philip Lawrence:** They were published and then the RCMP gave you briefs that contained evidence that individuals may have been involved in the illegal protest movement. You were then to act based on your legal opinion.

For each one of the briefs provided, did your members have their own independent legal advice, or did they do what the RCMP suggested they do?

**Ms. Angelina Mason:** It was the RCMP that provided the names. The banks looked at those names and compared them with their records and the activities in their records to validate if they made sense.

**Mr. Philip Lawrence:** Did your members freeze every single account for which the RCMP provided evidence?



**Ms. Angelina Mason:** I'd have to get back to you on whether or not there were any accounts that members looked at and said "no".

**Mr. Philip Lawrence:** Based on the evidence and what I've heard at the last committee meetings, I think you can say that you had the autonomy to say "no", but I don't think you didn't. In fact, the RCMP's providing evidence was tantamount to these people's bank accounts being frozen. There were very few exceptions to that. Would you agree with that?

**Ms. Angelina Mason:** I would say that it was very challenging to dispute what the RCMP had provided to us.

**Mr. Philip Lawrence:** Basically, even though you had, in legal terms, the autonomy to say "no", your members didn't, and every account that the RCMP wanted frozen, was frozen. That's generally correct to the 90th percentile or so.

**Ms. Angelina Mason:** I would have to validate the point, but my understanding is that most of them were frozen.

**Mr. Philip Lawrence:** Your members are going to do a legal calculation on this. Could you tell me if, in fact, the bank didn't freeze accounts, they could face significant consequences? Is that correct?

**Ms. Angelina Mason:** I'm sorry. I didn't hear that question.

**Mr. Philip Lawrence:** Sorry.

If the RCMP provided material that the individual should have had their accounts frozen and your member chose not to freeze them, they could face significant consequences, couldn't they?

**Ms. Angelina Mason:** There would be concern about not meeting our legal obligation.

**Mr. Philip Lawrence:** Exactly.

On the other side of that, if they froze an account incorrectly because of the way the proclamation was drafted, there would be no consequences to your members. Is that right?

**Ms. Angelina Mason:** To clarify that point, the members did not want to freeze any accounts they didn't have to, given that we're in the customer business. We don't want to be invoking that obligation in a way that isn't prudent.

**Mr. Philip Lawrence:** Sure. I know that your members want to do the best for their clients.

Looking at this on a strictly legal scoreboard, if, in fact, they illegitimately froze a bank account, they would face serious legal consequences. It's clear from the legislation.

**Ms. Angelina Mason:** Again, I would remind you of the trust our customers place in us to ensure that we fulfill our obligations appropriately.

**Mr. Philip Lawrence:** Right. There were zero consequences if they froze one incorrectly, but if they didn't freeze a bank account, there were serious consequences. If in fact you were doing your risk management, which banks do very, very well, there would have to be a disposition or a bias towards freezing a bank account as opposed to not freezing a bank account.

• (1510)

**Ms. Angelina Mason:** I don't think that's actually the way the risk assessment was done. I think it was trying to respect the spirit of what the intent was and ensuring that we were only freezing ac-

counts on what we understood to be individuals or entities that were engaged in illegal activities.

**Mr. Philip Lawrence:** Yes, but I mean, it's clear that there is a legal bias towards freezing than not freezing, just looking at the legal side of things.

With respect to the information provided by the RCMP to your members, could you provide some explanation as to what was in this bias? For example, would the individual's location, their financial wherewithal, their gender, their race or whether they were indigenous be included?

**Ms. Angelina Mason:** I don't feel comfortable explaining what was provided to us by the RCMP. I think that's better a question for them.

**Mr. Philip Lawrence:** Okay. But you received the information, right?

**The Chair:** We're at time. Thank you, MP Lawrence. I'm sure you'll have another round where you'll have an opportunity.

We are moving to the Liberals.

MP Dzerowicz, you're up for five minutes.

**Ms. Julie Dzerowicz:** Thank you so much, Ms. Mason. You're doing a wonderful job. Thank you so much for being here today. Thanks for answering all these questions. It sounds like we're almost in a court. We're very curious. You're doing a great job, so thank you.

I want to start off by clarifying, because I want to make sure it's clear in my head, what the banks able were to do with the Emergencies Act that they weren't able to do before that. I think from what I've heard, from what you've said, you were able to freeze accounts without a court order. That's one thing I heard. It also allowed the banks independently to move forward and also do a bit of a review of any type of suspicious activity that might provide enough justification, under the mandate of what we were asking the banks and financial institutions to do, to be able to freeze accounts.

Do I have that right?

**Ms. Angelina Mason:** Partially. We are already able to look for suspicious activity. That's part of the monitoring we do for anti-money laundering under our obligations under the proceeds of crime legislation. It then invokes an obligation to freeze an account if we found something that was in, again, that limited scope of the activities within Ottawa.

So it was actually creating an obligation to freeze, which is different from what we normally have in the AML world.

**Ms. Julie Dzerowicz:** Thanks for that clarification. That's very helpful.

In one of her speeches, our Deputy Prime Minister and Minister of Finance said that this was about following the money and about stopping the financing of the illegal blockades. They were serving notice: If their bank was being used in these protests, their corporate accounts would be frozen.

You may not be able to answer this question. When the RCMP provided information to the banks, did they actually say to you that it was because this was a corporate trucking company? Did they give you the reasons? Or did they just give you the information and it was your job just to follow through once you validated things on your end?

**Ms. Angelina Mason:** They gave a high-level description of what they thought the activities were.

**Ms. Julie Dzerowicz:** Okay. Thank you.

When I go through the four things that are under the emergency economic measures order, the third states that the government directs “Canadian financial institutions to review their relationships with anyone involved in the illegal blockades and report the assets and related transactions...to the RCMP or CSIS”. When you said that part of what you did under this act was to do a review for suspicious activity, would that be encapsulated into that third thing, or did you actually do more?

**Ms. Angelina Mason:** No. That was it. What I was trying to distinguish was that when you're given a list of specific names, then you would look at the activities of those specific names. When you're not relying on that but relying on your normal risk-based approach, then it's only that which is the threshold of unusual that catches your eye. Then you look at it in that context.

**Ms. Julie Dzerowicz:** Okay. Perfect.

This was number four:

Fourth, the order provides federal, provincial, and territorial government institutions with new authority to share relevant information with banks and other financial services providers, if the information will help put a stop to the funding of illegal blockades and illegal activities.

Other than the RCMP, were there any other institutions that provided more information to banks that allowed you to do the freezing of accounts or that led to more enforcement under the Emergencies Act?

• (1515)

**Ms. Angelina Mason:** I am not aware of that occurring but can check and come back.

**Ms. Julie Dzerowicz:** Okay. Thank you.

We heard stories that individual bank accounts were frozen for just donating or purchasing merchandise associated with the blockade. The RCMP put out a statement that read: “At no time, did [they] provide a list of donors to Financial Institutions.”

Can you clarify when these measures were implemented and whether or not any of your members applied them retroactively?

**Ms. Angelina Mason:** Members did not apply them retroactively. The order came into force February 15 and expired February 23. There's been a fair bit of misinformation out there, and I would just ask that when stories like that come up they actually be validated, because, as I said, they would be inconsistent with how our practices are applied.

**Ms. Julie Dzerowicz:** And—

**The Chair:** Thank you—

**Ms. Julie Dzerowicz:** Okay. Am I done?

**The Chair:** Yes, that's your time.

**Ms. Julie Dzerowicz:** Thank you so much, Ms. Mason.

**Ms. Angelina Mason:** Thank you.

**The Chair:** Thank you, MP Dzerowicz.

We are moving to the Bloc and MP Ste-Marie for two and a half minutes, please.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

Our role as parliamentarians is to assess whether the government absolutely needed the Emergencies Act to intervene. It is a law of last resort. Regular legislation covered by the Criminal Code, such as the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, prohibit financial fraud, laundering of ill-gotten gains or financing of criminal activities.

I would like to ask you two questions.

To your knowledge, did the members of your association freeze accounts under regular legislation, such as the act I just named, or did they do it under the Emergencies Act?

How did the Emergencies Act enable members of your association to intervene in a way that regular legislation could not, even if it had been more rigorously applied?

[*English*]

**Ms. Angelina Mason:** I'm happy to answer that question.

Again, in the cases of the orders, the court orders, again, were legal requirements, and those were based on court proceedings.

In the case of the Emergencies Act, there was a legal obligation to freeze, which otherwise would not be there.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Normally, when banks suspect someone of financing criminal activities, they freeze their accounts. Is that correct?

[*English*]

**Ms. Angelina Mason:** It depends on the particular back circumstances of whether it's something that you report versus...and then, you would, for example, report to the RCMP and they perhaps would then get production orders and take it from there, so it is not your typical situation.

[*Translation*]

**Mr. Gabriel Ste-Marie:** What you're saying is that it's not a regular occurrence for banks to freeze an account when they suspect financing of criminal activities.

[English]

**Ms. Angelina Mason:** Right. There is discretion on how you handle it. You can let the RCMP know, and then they would take the particular measures. In this case, it was a legal obligation to freeze. There was no discretion on how a bank could act.

[Translation]

**Mr. Gabriel Ste-Marie:** All right.

I will ask more questions later.

Thank you.

[English]

**The Chair:** Thank you, MP Ste-Marie.

We are moving to the NDP and MP Blaikie for two and a half minutes.

**Mr. Daniel Blaikie:** Thank you again, Ms. Mason.

You said in your earlier comments that the government didn't address the question of notification, and how to notify folks that their accounts had been frozen and under what authority they had been frozen.

In other cases, under other laws where accounts are frozen, is it typical that a court order would address the question of notification?

**Ms. Angelina Mason:** Quite often, they don't, so again, the members are in a position to apply their usual processes. For example, if someone hasn't paid child support and they get their account seized, a member may decide they don't need to be notified of that—they know they haven't paid child support for many years. It's a question of what the particular approach is, whereas others may choose a different approach.

• (1520)

**Mr. Daniel Blaikie:** Okay.

On the question of joint accounts, which came up earlier, you said that this was something that was being addressed as a potential problem and there was some discussion about how it might be solved. Do you think it would be useful to carry on those discussions and, in future, if government does ever use provisions like this again, for there to be some more clear direction at the outset as to how difficult cases like those would be managed?

**Ms. Angelina Mason:** The Department of Finance was considering that, and it became a moot point, but my guess is that they would probably include that themselves.

**Mr. Daniel Blaikie:** Do you think it would be useful to your members in a future event, if something similar were to happen, to have more direction upfront from the government as to how they'd like those more complicated scenarios to be handled?

**Ms. Angelina Mason:** Yes. That would be helpful.

**Mr. Daniel Blaikie:** Thank you very much.

That's good for this round, Mr. Chair.

**The Chair:** Thank you, MP Blaikie.

We're moving to the Conservatives and MP Fast. You have the floor for five minutes.

**Hon. Ed Fast (Abbotsford, CPC):** Thank you very much to our two witnesses. I appreciate your being here.

I have two questions. First of all, to follow up on Ms. Dzerowicz's question, you mentioned that donations in themselves would not trigger an assessment as to whether that donation falls under the order that the government triggered. Is that correct?

**Ms. Angelina Mason:** I said that.... I was trying to establish the application of.... Outside of the names that were provided by the RCMP, a small donation wouldn't have been caught by our normal risk-based approach. What I was trying to emphasize is that it's highly unlikely.

I also want to clarify that we did not rely on external information, including leaked donor lists.

**Hon. Ed Fast:** I understand.

What if it were a large donation, whether directly to the convoy or through a crowdfunding platform?

**Ms. Angelina Mason:** If it was conducted during the time that the order was invoked, it would raise that legal obligation.

**Hon. Ed Fast:** What's the threshold?

**Ms. Angelina Mason:** There's not a specific dollar threshold. You'd be asking if there was some sort of unusual activity going on.

**Hon. Ed Fast:** If someone with a bank account with \$10,000 decided to give \$3,000, would that be an unusual activity?

**Ms. Angelina Mason:** I couldn't speak for the specific circumstance of that monitoring and what would trigger it. It may not, depending on what the normal account activity is like.

**Hon. Ed Fast:** All right.

I have another question. In the days following the invocation of the Emergencies Act, when information about the freezing of accounts became more public, did the banks notice any increase in withdrawal activity? I was one of those who contacted the CBA to find out, but I'd love to hear it from you.

Was there an increase in withdrawal activity in the days following the triggering of the Emergencies Act?

**Ms. Angelina Mason:** There are anecdotal stories. There isn't anything of significance, but due in part to misinformation, people thought that if their account was with a bank, as opposed to a credit union, it would somehow make a difference. There was some information and education needed that the Emergencies Act applied regardless of which type of financial institution was engaged, but there has not been anything of concern. It's these anecdotal stories.

**Hon. Ed Fast:** You referred to anecdotal stories, but as a matter of fact, are you saying that withdrawal activity did not increase measurably?

**Ms. Angelina Mason:** That's correct.

**Hon. Ed Fast:** Did you or your industry take any steps to assuage account holders across Canada that, in fact, there wasn't a rush on money at the banks and that everything was going to be fine?

**Ms. Angelina Mason:** I don't recall making.... We typically don't respond to misinformation about those types of things, but I would turn to my colleague Darren.

Do you know if there were any proactive comments made?

**Mr. Darren Hannah (Vice-President, Finance, Risk and Prudential Policy, Canadian Bankers Association):** I wouldn't say there were proactive comments. At the end of the day, to Ms. Mason's point a moment ago, we didn't really see a material change.

If people had concerns, each bank would respond to them, but that would be on a customer-by-customer basis.

• (1525)

**Hon. Ed Fast:** You mentioned, Ms. Mason, that you consulted with the government on the way forward, the scope of the legislation and how the government expected it to be implemented.

Did you fully trust the government to provide you with information that was factually and legally correct, or did you seek out your own legal opinions on how the order and the Emergencies Act should and could be applied?

**Ms. Angelina Mason:** I would say that the guidance being provided by the government was well within the specific language in the order itself. Obviously, all of our banks have in-house counsel. I myself am counsel. We all would have looked at the order itself and seen what the scope of those obligations was. Then when the government advised of its intent, which made it quite targeted, that was considered to be reassuring.

**Hon. Ed Fast:** Did you feel that you had any discretion? Say yes or no.

**The Chair:** Thank you, MP Fast. I'm sorry, but that was the time—

**Hon. Ed Fast:** All right.

**The Chair:** —but thank you. I'm sure you'll have an opportunity in another round.

We are moving to the Liberals and MP Chatel for five minutes.

**Mrs. Sophie Chatel (Pontiac, Lib.):** Thank you, Chair.

Thank you, Ms. Mason and Mr. Hannah, for being with us today. Also, thank you for your hard work in having in Canada such healthy financial institutions.

Just as a point of clarification regarding a concern raised by MP Lawrence, I want to make sure I'm clear on that point. There was immunity for actions that were taken in good faith by financial institutions, but there would be legal consequences for anyone using this legal obligation in bad faith.

**Ms. Angelina Mason:** That is correct.

**Mrs. Sophie Chatel:** Thank you.

The proceeds of crime legislation requires banks and financial institutions to report suspicious transactions.

Ms. Mason or Mr. Hannah, could you tell us exactly what a suspicious transaction is?

**Ms. Angelina Mason:** A suspicious transaction is one that, based on the facts, suggests that money laundering might be occurring.

**Mrs. Sophie Chatel:** Would that suspicious transaction concept, based on which you have to report, change with the Emergencies Act?

**Ms. Angelina Mason:** No.

**Mrs. Sophie Chatel:** Could you explain a little bit the reporting process through which, under existing rules, you have to report to FINTRAC and the RCMP, and your interaction with those organizations?

**Ms. Angelina Mason:** Sure. When we report to FINTRAC, there are two types of reporting. One involves suspicious transactions, those that suggest money laundering might be occurring. The other kind is threshold reporting, for which we're required to file all types of transactions, regardless of whether they're suspicious or not. Those involve large cash withdrawals, for example, or large EFTs. Those are called "threshold reporting".

**Mrs. Sophie Chatel:** You explained that things have changed. Under previous rules, you were not legally obligated to freeze accounts once you had found, for example, a suspicious transaction.

**Ms. Angelina Mason:** Yes.

**Mrs. Sophie Chatel:** The Emergencies Act was not limited to money laundering. It was covering illegal activities, such as the blockade, as defined within the Emergencies Act, that we could see as expanding, because the previous rules did not require you to report even if you found that there were suspicious transactions that were not necessarily money laundering or terrorist financing but that could be used to finance illegal activities in Canada. Is that correct?

**Ms. Angelina Mason:** That's correct, in the sense that if we were concerned that someone was using an account for illegal activity, we might raise that with the RCMP. In this case we were actually required to validate against the list provided by the RCMP and also to take specific measures, such as applying a risk-based approach, to look for this specific activity.

• (1530)

**Mrs. Sophie Chatel:** Using a crowdfunding platform is an obvious way of escaping the scope of the proceeds of crime legislation. It doesn't involve reporting activities, so it's an indirect way of financing illegal activities.

To your knowledge, Ms. Mason, are there any additional platforms that are left out of the current reporting that should be covered, but they are ways of supporting that criminal activity or money laundering or financing of illicit activity that are taking place today?

**Ms. Angelina Mason:** There aren't, to my knowledge. I could take that away.

As part of our advocacy within the AML space, we have supported the expansion of reporting entities to address gaps, including cryptocurrency, which was recently included, so I can take that away to see if there are any additional ones that we, as an industry, have supported.

You are right that there are gaps that have been closed.

**Mrs. Sophie Chatel:** I would really appreciate you following up on those gaps, I'm very interested in that.

Thank you.

**The Chair:** Thank you, MP Chatel.

That is the end of our second round, members.

We're moving into our third round. I'm looking at the time. This will be our last round of questions from members to our witnesses.

We're starting with the Conservatives and MP Albas for five minutes.

**Mr. Dan Albas:** Thank you, Mr. Chair.

Thank you to all our witnesses for coming and bringing some light on this study from your perspectives.

I'm going to start with Ms. Mason. Typically, when we're dealing with money laundering or sanctions or whatnot, a court order would be necessary. Do banks find it helpful in that a court order may give you a little more comfort when you're freezing or seizing accounts?

**Ms. Angelina Mason:** With a court order, we are legally obligated to do it. The benefit of the court order is we're not asked to validate anything.

**Mr. Dan Albas:** The court identifies where, in this case, the RCMP has a legitimate case or maybe where they think, "Okay, you're just fishing for things". In this case, though, you were given names and were asked to start freezing assets. Is that correct?

**Ms. Angelina Mason:** We were given names and asked to validate against them. It isn't your typical process. I agree with you. In the case of sanctions, there are prescribed lists that have already been reviewed.

**Mr. Dan Albas:** Can you explain that point? Many people are watching right now and seeing what's happening in Ukraine, and it's important that people understand that there's a usual process that has to be followed.

Can you elaborate on that?

**Ms. Angelina Mason:** Sure. In the case of sanctions, we're very familiar with and have a long history of implementing economic sanctions within Canada. It's a known process, so when individuals and entities are named and particular actions are restricted, we've been able to implement those in the past.

Some of the complexity of the Emergencies Act was, because it had never been invoked before, we had a number of questions about various things on how to implement it.

**Mr. Dan Albas:** When the government wants to put in place a sanction, they have to go through a court process so you can have lawful authority. Is that not the case?

**Ms. Angelina Mason:** I'm sorry. It's not a court process. I believe when the sanctions are invoked, it is a government process.

**Mr. Dan Albas:** It's a separate process from that. Thank you.

The next question I would ask is, in the usual process, when the courts limit it, it gives you a bit more comfort when your clients have to move forward.

Do they have an obligation to tell the client of the bank that their assets have been frozen under an order?

**Ms. Angelina Mason:** Not necessarily. Orders may not provide it at all.

First of all, in some cases, orders may not specifically address notice. In other cases, orders are required to be kept confidential. It really does depend on the specific order.

• (1535)

**Mr. Dan Albas:** I have no further questions.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Albas.

We are moving to the Liberals and MP Maloney for five minutes.

**Mr. James Maloney (Etobicoke—Lakeshore, Lib.):** Thank you, Chair, for the opportunity and letting me participate today.

Thank you, Ms. Mason. This has been very informative.

Let's go back to what you said at the beginning. You said you would act on information from the RCMP and then you would clarify it through the bank records. A moment ago in response to Mr. Albas, you had a discussion about the validation component to this.

Can you take us through the validation aspect of this? That's obviously very important to the discussion.

**Ms. Angelina Mason:** It would depend on each particular institution and what was in their records. Let's say, for example, that they said this individual has been funding events in Ottawa, and then you can see....

Again, it's because we were asked to look at these specific individuals that we then looked specifically into their transactions or accounts. We could then validate that, yes, those transactions were occurring and they're of the nature that was described to us. This was very different and separate from how we were managing people who weren't on the list.

**Mr. James Maloney:** Thank you.

Am I accurate, then, in saying that every request you received from the RCMP was subject to this validation process?

**Ms. Angelina Mason:** That's correct.

**Mr. James Maloney:** Thank you.

What would the turnaround time typically have been during that week or nine days?

To be clear, the request was coming from the RCMP, not from the government, right?

**Ms. Angelina Mason:** That's right. The lists came from the RCMP.

My understanding is that the government did not have a line of sight into those lists, but, obviously, the guidance on how to implement was coming from the government.

**Mr. James Maloney:** Thank you.

Once you received a request from the RCMP, take us through how long it would take to implement the freeze.

**Ms. Angelina Mason:** We were implementing quite quickly. We had staff ready. It would have been within 24 hours.

**Mr. James Maloney:** Built into that request time was some back and forth with the RCMP, if you had any questions or there was any uncertainty.

**Ms. Angelina Mason:** That's correct.

**Mr. James Maloney:** The RCMP didn't come into the situation the day the Emergencies Act was invoked. They, in fact, had been dealing with these actors out in Ottawa who were involved in this for some time prior to that. So they came to this with much more background. This wasn't something new to them. Is that fair to say?

**Ms. Angelina Mason:** That's correct, which is why I say we primarily relied upon them. They were coming to us with a rather limited but definitive list.

**Mr. James Maloney:** Thank you.

Through your experience and from talking to your member organizations, would you agree that the RCMP was willing to work with feedback received from financial institutions to make sure the requests were implemented properly?

**Ms. Angelina Mason:** Yes.

**Mr. James Maloney:** Thank you.

I think you said earlier that 180 accounts were frozen through the banks. Is that correct?

**Ms. Angelina Mason:** That's correct.

**Mr. James Maloney:** Do you have data on how many of those accounts were corporate or businesses as opposed to individuals?

**Ms. Angelina Mason:** I could get a breakdown of it, but there were at least a couple of corporate. I'm working from memory now.

**Mr. James Maloney:** But most of them, I would suspect, would have been businesses, corporations or larger entities, that were involved in the protest. Is that fair to say?

**Ms. Angelina Mason:** No, I would say there was a balance. There were a number of individuals.

**Mr. James Maloney:** Thank you.

I think you already addressed this earlier in response to Ms. Dzerowicz's question and maybe Mr. Lawrence's. With respect to this notion out there and in making sure that information is correct, there are stories that have been circulating about little old ladies who had their bank accounts frozen and they had only \$50 in their bank account. The bank would use the validation process to make sure something like that didn't happen, I'm assuming.

**Ms. Angelina Mason:** That would not even hit the radar. That's why it wouldn't happen.

If anyone has any question, they should contact their bank. That's not what would have happened. It would have been for something

else. It would have been that, perhaps, they had gone over a certain limit, but it would not be because of the Emergencies Act.

**Mr. James Maloney:** That's great. Thank you. That's why this discussion is so important. Sometimes, in the political climate, these things get inflated and distorted, so I appreciate that answer.

My last question, then, is this: Do you have information about how many of those 180 accounts were held by Canadian actors as opposed to actors outside of the country?

**Ms. Angelina Mason:** I do not have that information.

**Mr. James Maloney:** Is that information you could obtain for the committee?

• (1540)

**Ms. Angelina Mason:** That's something I could take away.

**Mr. James Maloney:** Thank you.

Those are all my questions, Mr. Chair.

**The Chair:** You're right on time.

Thank you, MP Maloney.

Thank you for joining us.

Next is the Bloc and MP Ste-Marie for two and a half minutes.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

Kim Manchester, from the company ManchesterCF, said banks will likely keep tracking those individuals flagged by the RCMP and their names could end up on private-sector third-party databases that financial institutions rely on to fight money laundering and terrorist financing.

Ms. Mason, do you agree with this statement? What are your comments?

[*English*]

**Ms. Angelina Mason:** I'm sorry, but could you repeat the question?

[*Translation*]

**Mr. Gabriel Ste-Marie:** I would like your reaction to a statement made by Kim Manchester, from the company ManchesterCF, who said that banks will likely keep tracking those individuals flagged by the RCMP and their names could end up on private-sector third-party databases that financial institutions rely on to fight money laundering and terrorist financing.

[*English*]

**Ms. Angelina Mason:** Okay, that is similar to the question that was asked earlier, about the impact of someone's being identified by the RCMP. As I mentioned before, there would not be a blanket approach. Each organization would determine their risk assessment, as they always do, based on the specific individual. If any individual had any concern about their banking relationship, they should contact their financial institution, but there would not be a blanket approach.

[Translation]

**Mr. Gabriel Ste-Marie:** Some institutions could keep names that were flagged and lists could circulate. These concerns may therefore be well founded. Is this the case?

[English]

**Ms. Angelina Mason:** I'm sorry, but when I say there wouldn't be a blanket approach, what I'm saying is that a bank wouldn't all of a sudden generate a list and say "Here are the lists that we've received". It's no different from your learning that someone else had conducted an activity in your account. They risk-assess the accounts, as they do, and if they hear about that activity, they will assess each individual circumstance. It wouldn't be, "Oh, we're going to list all these people here and treat them a certain way". It would be done on a customer-by-customer basis.

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you.

The information will be saved, as you explained in your answer to Mr. Chambers.

I have no further questions.

[English]

**The Chair:** Thank you, MP Ste-Marie.

We are moving to the NDP and MP Blaikie for two and a half minutes.

**Mr. Daniel Blaikie:** Thank you.

I think one of the important tasks for this committee is going to be to try to make some recommendations to government about what it did that it perhaps should not have done, or how, if it does similar things in the future, it could do them better. I'm just wondering. As you have said many times, banks are customer-based organizations. This clearly was something that had an impact on some customers. I'm wondering if you have any recommendations that you want to offer to the committee for its consideration about what kind of supplementary direction government might provide or what else it might seek to include in a similar order, in order to have a better process in the event that something like this happens again.

**Ms. Angelina Mason:** I would say pretty much that having had from the get-go the clarity we were getting in real time would be very helpful. First of all would be being able to assure our customers right away that the vast, vast, vast majority of them will not be impacted by this. I would say that, as with other things, when you're used to a process, then you know what to expect. In this case, it would have been helpful to have had that in advance.

**Mr. Daniel Blaikie:** Okay. Is there anything else you would put before the committee for its consideration?

**Ms. Angelina Mason:** There is not at this time.

**Mr. Daniel Blaikie:** Thank you very much.

**The Chair:** MP Blaikie, is that...?

**Mr. Daniel Blaikie:** That's good for me, Mr. Chair.

**The Chair:** Okay. Thank you.

We are moving to the Conservatives and MP Chambers.

You have the floor for five minutes.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

Perhaps I'll pick up where my colleague Mr. Blaikie finished. In terms of some of the information that you said would have been helpful for clarity at the beginning, are you talking about before the order is announced or just as you're leading up to the situation that there should be a little bit more back and forth between government and industry, or would you say that line of communication was open?

• (1545)

**Ms. Angelina Mason:** I would just say that obviously we weren't able to ask specific questions until we saw the regulations themselves. I give the government credit for moving quickly, but it was still very much in real time, whereas—and again I attribute it to the fact that this was an "emergencies act"—under the normal process, you would have an opportunity to do that before things were enforced. However, I appreciate that was the context in which the act was invoked. The question was about the context of our doing this again, now that we have learned.

**Mr. Adam Chambers:** Thank you.

Do you think there could have been more transparency, whether on the part of industry or government, in terms of how the powers were being used while they were being used?

**Ms. Angelina Mason:** You're talking about powers, so I just want to be clear. We had legal obligations, and for us it was more about understanding what the extent of those obligations was.

**Mr. Adam Chambers:** I'm thinking more in the context of transparency for the public.

**Ms. Angelina Mason:** I see.

**Mr. Adam Chambers:** You mentioned misinformation. One of the challenges that many of us had—speaking as a legislator who was asked to decide or to vote on whether the act was needed—was that there was not a lot of transparency on how these extraordinary powers were being used, both by government and by industry.

I would submit that one of the reasons you saw some potential misinformation was because there wasn't a lot of transparency of how many accounts would be affected, or the thresholds that were being used.

Do you think that more transparency would be helpful in the future?

**Ms. Angelina Mason:** I can say that we, as an industry, went out with media messaging. We have the active messaging in place for all of our customers. At a certain point, Finance had made comments about clarifying the very targeted scope.

**Mr. Adam Chambers:** Okay. Thank you.

On procedural fairness, we talk a lot about notification and the process through which this might happen normally, having a court order and an opportunity for someone whose regular job is to evaluate evidence to do it. Banks do a lot of good work on the money laundering side, but I'm not sure you're the best equipped to deal with the regular weighing of evidence and determinations on restrictions or whether bank accounts should be frozen.

Are there currently gaps in industry that will now look to be filled to get more information or capabilities on this side of the House?

**Ms. Angelina Mason:** I don't see it so much as gaps being filled. I think the difference is that, because this was mandated, versus allowing organizations the discretion to decide when something should or should not be reported—for example, to engage law enforcement or what have you—that is what presented the challenge.

**Mr. Adam Chambers:** Perhaps as a final point on procedural fairness, I hope you and others can understand that the reason we care about procedural fairness is that.... It's not so much that you might look back now and say that everything seemed to go okay because it was targeted, etc., but because we have these procedural fairness requirements in the charter and other places in criminal law so that there will be no abuse in the future, even though there could be. It's important for us to understand what some of those gaps might be, so that we can fill them in the future.

I appreciate your answers today.

I would say to other witnesses and, perhaps, to members of the government listening, I've really appreciated your concise answers here at this committee. It's made our job a lot easier and I would hope that other witnesses review your testimony and see how clear and concise you can be.

Thank you very much.

**Ms. Angelina Mason:** Thank you.

**The Chair:** Thank you, MP Chambers.

Members, we have the Liberals up for five minutes and MP MacDonald will be the last questioner.

MP MacDonald, you have the floor for five minutes.

**Mr. Heath MacDonald:** Thank you, Chair.

I have two or three rapid questions. Your testimony here today really serves a very distinguished purpose in being relevant to what the public was asking. I echo Mr. Chambers' comments. I thought your answers were very well put. We all appreciate your time and your effort and everything you've done. We hope we won't always have to have you back.

I'm assuming that once the review is done, which is mandated through the legislation, we'll end up strengthening and reviewing all aspects of this process and the protocols.

This enforcement played a very significant role in ending this blockade. We're seeing those restrictions and sanctions across the board now internationally. They're playing an integral part, so our financial institutions are going to come to the forefront when you look at Bitcoin and cryptocurrency and how things are non-regulated at some point.

Someone mentioned FINTRAC a couple of times. Did FINTRAC notify you of any irregular transfers coming from abroad during the time the act was invoked?

• (1550)

**Ms. Angelina Mason:** No. It would work the other way around. What we would do is provide intelligence to FINTRAC.

First of all, as I mentioned, there is threshold reporting, so any international transactions over the 24-hour, \$10,000 threshold would be reported to FINTRAC. If there were any unusual activity, we would report it to FINTRAC. They, as the central repository for that level of intelligence, would then make connections and conduct disclosures to law enforcement.

**Mr. Heath MacDonald:** Chair, I don't have any more questions. I think we've very significantly covered most questions—maybe even two or three times—but I would appreciate it if Ms. Mason could give us a quick overview going forward of her personal or professional opinion on how we can make things better overall if we have to go through this again.

**Ms. Angelina Mason:** Great. I would say that it's basically what we've covered off, which is understanding the scope and the limited nature of this. Again, we were told that it was going to be temporary and very targeted, so we worked within that, but with regard to a proper assessment of the Emergencies Act itself and how it would be invoked, I think it's really not our position to comment on that. That should be covered by the review itself.

**Mr. Heath MacDonald:** Thank you for your time.

**Ms. Angelina Mason:** Thank you.

**The Chair:** Thank you, MP MacDonald.

I just want to say kudos to Ms. Mason and Mr. Hannah, our witnesses from the Canadian Bankers Association. I think you heard that from MP Chambers and MP MacDonald in this respect, but their sentiment, I believe, is that of all members.

The many questions you answered here today in a very clear, concise way will help inform our committee and this report on the invocation of the Emergencies Act. We thank you so much.

Again, on behalf, of the members, the clerk, the staff and the interpreters, everybody who is involved in allowing this committee to function, we thank you very much.

**Ms. Angelina Mason:** Thank you for having us.

**Mr. Darren Hannah:** Thank you.

**The Chair:** Thank you.

On that note, members, we are going to suspend for five minutes as we transition to our second set of witnesses.

• (1555)

(Pause)

• (1600)

**The Chair:** Welcome back. I call this meeting back to order.

We are into our second panel, members. The witnesses with us today are from the Royal Canadian Mounted Police. We have Michel Arcand, assistant commissioner, federal policing, criminal operations, and, I believe, Superintendent Denis Beaudoin, director, financial crime.

With that, I will allow them the floor for their opening statement.

**Assistant Commissioner Michel Arcand (Assistant Commissioner, Federal Policing Criminal Operations, Royal Canadian Mounted Police):** Thank you, Chair.



Good afternoon, Mr. Chair and honourable members of the committee. I am Assistant Commissioner Michel Arcand, responsible for the national picture of ongoing high-priority federal policing criminal investigations, including financial crimes. Joining me, as was mentioned, is Superintendent Denis Beaudoin.

I am here today to discuss the RCMP federal policing program's use of the emergency economic measures order. I can say that from the program's perspective, the measures available to law enforcement under the Emergencies Act and order were welcome. Under this order, law enforcement and monitoring agencies were able to work more closely with Canadian financial institutions and use those financial measures to strongly encourage individuals to leave the illegal protests and deter the counselling of others to commit related criminal offences.

This order gave financial institutions the ability to freeze financial products of individuals and companies suspected of involvement in prohibited activities during the public emergency and for law enforcement to share information with financial institutions for that purpose. Additionally, the order broadened the scope of Canada's anti-money laundering/anti-terrorist financing rules to include crowdfunding platforms and payment service providers, including virtual currency.

With the order in effect, the RCMP worked closely with municipal and provincial partners to collect relevant information with regard to persons, vehicles and companies directly or indirectly involved in the prohibited and illegal activities relating to the blockades—in particular, the owners and drivers of vehicles who did not want to leave downtown Ottawa.

The RCMP federal policing program leveraged real-time policing techniques from the Ontario Provincial Police and the Ottawa Police Service to validate and corroborate the presence of individuals in the illegal protest and then acted as the central point of contact between police-derived information and the financial institutions. Through the receipt of this information, along with other information at law enforcement's disposal, financial institutions could then assess whether or not to take action.

During the eight days when the emergency economic measures order was in place—from February 15, 2022, to February 23, 2022—the RCMP disclosed information on numerous entities to the banks, the Canadian Bankers Association, the Investment Industry Regulatory Organization of Canada, the Canadian securities administration, credit unions and the Mutual Fund Dealers Association.

It is the RCMP's understanding that at least 257 accounts were frozen by financial institutions, and the RCMP disclosed information on 57 entities to financial institutions and other listed entities. Additionally, the RCMP identified and disclosed 170 Bitcoin wallet addresses as receiving funds linked to the HonkHonk Hodl crowdfunding campaign, which raised 20.7 Bitcoin with a value of between \$1 million to \$1.2 million Canadian during the period when the Emergencies Act was in force.

Many of these cryptocurrency wallet addresses were disclosed to virtual currency money service businesses via a series of cryptocurrency alerts noting that these e-wallets were linked to a joint RCMP

and Ontario Provincial Police investigation and directing these businesses to cease the facilitation of any transaction and to disclose any transaction information linked to the RCMP. The RCMP was also very clear to communicate that the measures under the order were not retroactive and to apply them only during the time that the order was in effect.

Finally, it is important to note that the emergency economic measures order does not contain any enforcement provisions. Therefore, no charges were laid by the RCMP under this order.

● (1605)

As per the powers of the order, the RCMP was in constant communication with the financial institutions to ensure that they were provided with the most up-to-date information possible on the status of entities of interest so that the financial institutions could make the most informed determination possible before taking action to freeze, or unfreeze, financial products within their holdings.

The RCMP continues to instruct anyone inquiring about the process of unfreezing assets to contact their financial institution, as the authority for this action rests with them.

To conclude, these measures enhanced the effectiveness of law enforcement's investigations pertaining to the blockades, and helped contribute to a peaceful and timely end to the public emergency.

Thank you for your attention. I would be happy to take any questions you may have.

**The Chair:** Thank you, Assistant Commissioner Arcand.

We will now move to our first round of questions. Each party will have up to six minutes to ask questions of our witnesses.

First up is the Conservatives.

MP Chambers, you have the floor for six minutes.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

Welcome to our witnesses. Thank you for sharing some of your time with us this afternoon. We just had some testimony from the Canadian Bankers Association, so some of our questions will relate to that. I don't know if you had a chance to hear some of that testimony, but we'll get started.

In circumstances where the Emergencies Act has not been used in the past—I'm thinking of the regular process, if you will—can you outline for the committee what process is used to have an individual's bank account frozen?

**A/Commr Michel Arcand:** I will let Superintendent Denis Beaudoin answer the question.

**Superintendent Denis Beaudoin (Director, Financial Crime, Royal Canadian Mounted Police):** Good afternoon.

Normally, you would have to bring an application to the court to have somebody's assets frozen or seized.

**Mr. Adam Chambers:** Okay. Thank you.

This is with regard to the reason that the Emergencies Act was so necessary, in this case, with respect to clients of the financial institutions. Was it a timing issue that we weren't able to go to court? What was the necessity of the act for this circumstance?

**A/Commr Michel Arcand:** The necessity of the act in this case was to serve law enforcement to be able to discourage people from maintaining their involvement in the illegal protest, and also to give the power to the banks to freeze accounts. The RCMP didn't have the power to freeze the accounts; it was the banks that froze the accounts. It gave us more power to discourage people from being active in the illegal protest.

• (1610)

**Mr. Adam Chambers:** Right, but presumably you could have gone to court, as in a normal course, presented evidence and had individuals' accounts frozen through that means—correct?

**Supt Denis Beaudoin:** The difference, as Assistant Commissioner Arcand mentioned, is that under the normal process, you would have the assets seized for a long period of time relating to an ongoing case. In this case, there was no provision for a long-term seizure of assets. It was during the time of the economic measures and the assets would be unfrozen afterwards. So the processes were quite different.

**Mr. Adam Chambers:** Okay, but we are setting aside some of our regular procedural fairness in the sense that a court did not make the determination on whether assets should be frozen. We had private sector entities making adjudications and weighing evidence. Is that correct?

**Supt Denis Beaudoin:** Yes. That's correct. The financial institutions had the onus to freeze or unfreeze assets.

**Mr. Adam Chambers:** Okay. Thank you.

Can you describe at a high level what some of the information might have looked like, or might have been, from the RCMP to the banks? Was it a list of individuals for banks to review their own files with, or was it files on each individual in particular? What kind of information was exchanged from the RCMP to financial institutions?

**A/Commr Michel Arcand:** As mentioned earlier, we work closely with the Ontario Provincial Police and the Ottawa Police Service. Throughout that time, intelligence was gathered and the RCMP, when the measure was applied, did offer to be the centre point for contact and sharing of information with the financial institutions. Intelligence was gathered by law enforcement, including by us, and that is how we provided names of entities to the financial institutions, based on the information received from the Ontario Provincial Police and the Ottawa Police Service.

**Mr. Adam Chambers:** Okay. We know of at least one case in which the Ontario government, the attorney general, actually sought a court order for an injunction to freeze assets. Was that process considered at the federal level with the RCMP?

**Supt Denis Beaudoin:** We were aware that some assets were frozen, but again, the assets were not frozen by the RCMP. It was

up to the banks. We volunteered the information to the banks to make the determination. There were two orders under which assets could be frozen, and even more so as civil orders were obtained later on.

**Mr. Adam Chambers:** Thank you.

Do you feel that there would have been less misinformation if there was more transparency at the front end in terms of thresholds and applications of the scope of the order? There was some considerable concern and/or misinformation circulating about scope.

**A/Commr Michel Arcand:** The scope of law enforcement was really limited to the people, the entities, that influenced the protests and that were very active. We limited it where we could and asked the banks to freeze some accounts so we could discourage the people who were influencing the protest, and also truck drivers or companies that were not moving out of the downtown. It was not a large approach on this, and we really focused on individuals who were influencing.

• (1615)

**Mr. Adam Chambers:** Thank you very much.

I believe that's my time.

**The Chair:** Thank you, MP Chambers.

We're moving to the Liberals and MP Dzerowicz for six minutes.

**Ms. Julie Dzerowicz:** Thank you so much, Mr. Chair.

I want to thank Assistant Commissioner Arcand and Superintendent Denis Beaudoin for being here today. This is a very important study for us.

If I understand correctly—just because I want to understand what the Emergencies Act would allow the RCMP to do that they weren't able to do before—while you could have gone for a court order before, the Emergencies Act actually allowed the RCMP to act much more quickly, and it was also more temporary or time-limited in terms of freezing the accounts. Do I understand that correctly?

**A/Commr Michel Arcand:** You're right.

**Ms. Julie Dzerowicz:** Thank you.

How important was removing the ability to access funds to ending the occupation in Ottawa and preventing future blockades?

**Supt Denis Beaudoin:** We have to understand that when we started enforcing or sharing the information with the banks, it was unknown how the blockades would end, so it was beneficial to put this in place to ensure that the blockades would conclude as peacefully as possible. Then, if there was any violence, it would be limited so that people wouldn't have access to additional funds to facilitate the criminal offence.

**Ms. Julie Dzerowicz:** Just to draw that out a little bit more, while there were a certain number of blockades that had ended, was there concern on behalf of the RCMP that there could be some additional blockades?

**A/Commr Michel Arcand:** There was concern and there was monitoring across the country. We looked at the Ambassador Bridge. We looked at Coutts in Alberta, and we looked at Emerson in Manitoba, as we had to monitor whether there was a risk of having more blockades eventually across the country.

**Ms. Julie Dzerowicz:** Thank you for that.

Commissioner Lucki has stated that the RCMP used the tools and the Emergencies Act not only to help disperse the blockades, but also as a preventative measure, which we're talking about now. Can you talk more specifically about how the financial powers under the act were used as a deterrent to help prevent future blockades?

**A/Commr Michel Arcand:** When we provided the entities to the financial institutions and the institutions started to freeze accounts, we did reach out to some entities to see if they had left the area—for example, Ottawa—and some comments we received were “We're not going to go back. We're back home. Please unfreeze our accounts.” Just to do this discouraged people from coming back, because they didn't want their accounts frozen. Actually, some people left, being afraid that their accounts were going to be frozen.

**Ms. Julie Dzerowicz:** If I understood correctly, just knowing that their accounts might be frozen encouraged people to go home and also encouraged people to stay home and not come back—those who might have participated initially in any of the blockades.

Did I understand that correctly?

**A/Commr Michel Arcand:** Yes.

**Ms. Julie Dzerowicz:** Thank you.

Just so I can connect the dots for people in my riding and other Canadians who might be listening, a lot of the money came in through crowdfunding platforms. We're talking about freezing accounts. I'm assuming—and please correct me if I'm wrong—that the way people who were part of the occupation or part of the blockades were able to access some of these funds is that they were transferred from the crowdfunding platform, where they collected the money, into a bank account. Do I understand that correctly?

**Supt Denis Beaudoin:** I think you're.... The focus of enforcing these emergency measures was strictly to block the funds of people who were identified. The larger investigation as to where the money came from and how it was distributed I think is outside the scope of the emergency measures. It's more in line with the overall criminal investigation.

**Ms. Julie Dzerowicz:** Okay. If I understood you correctly, you're kind of saying that the crowdfunding platforms collected the money, but where the RCMP was able to play or do something is once it got into an account. When there was money into an account that could be attributed to the Ottawa occupation or the blockades, that's where the RCMP was able to collect the data and then distribute that to financial institutions.

• (1620)

**Supt Denis Beaudoin:** It's important to understand that the focus of the RCMP, the intelligence, came from the trucks and the people who were present in Ottawa. It wasn't the focus to start with donors or anybody who had received money. The point of using these tools

was to make sure that people left downtown Ottawa as peacefully as possible, so we concentrated our efforts in identifying who was present in the downtown area, and this is the information that we ended up sharing with the financial institutions.

**Ms. Julie Dzerowicz:** Okay.

For my last question, I know there were certain gaps in terms of what the Proceeds of Crime (Money Laundering) and Terrorist Financing Act could actually cover in terms of activities. Can you give us an idea of what the Proceeds of Crime (Money Laundering) and Terrorist Financing Act did allow for and what gaps the invocation of the Emergencies Act addressed?

**The Chair:** Could we have a short answer, please?

**Supt Denis Beaudoin:** The short answer is that it made crowdfunding platforms have the obligation to report any payments to FINTRAC, which were not covered before.

**Ms. Julie Dzerowicz:** Thank you.

**The Chair:** Thank you.

Thank you, MP Dzerowicz.

We are moving to the Bloc and MP Ste-Marie for six minutes.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

Mr. Arcand and Mr. Beaudoin, thank you for appearing before the committee this afternoon.

I would also like to thank you and your colleagues from the RCMP and the other police forces involved for the joint operation you conducted. It was all very calm and orderly, which was truly impressive.

Many parliamentarians were brought to Parliament in your vehicles by your police officers. We were able to follow the whole operation from inside, from where we saw most of the trucks eventually leave on their own. Having seen other protests in the past, I can tell you that this one ended very peacefully. I thank you and take my hat off to you.

When the government decided to invoke the Emergencies Act and issue the three orders that accompanied it, what happened on your end? Did the government consult you? Did the RCMP ask the government to invoke the act? Did you advise the government on elements of the act or on what should be in the orders?

**A/Commr Michel Arcand:** Consultations were held, and we made recommendations on certain points. However, the RCMP does not ask for the act to be invoked; the RCMP only enforces it. When the Emergencies Act was put in place, the RCMP simply enforced the measures prescribed.

**Mr. Gabriel Ste-Marie:** Thank you very much.

On the subject of consultations regarding financial measures, was it the RCMP who indicated to the government that freezing bank accounts could be an effective measure to encourage protesters to leave?

**A/Commr Michel Arcand:** The answer is no.

**Mr. Gabriel Ste-Marie:** Thank you.

How did the relationship between the RCMP and the government work on a daily basis? Did each department contact you, or was there a government spokesperson who consolidated aspects of the various departments that communicated with you? How did communication on those various aspects happen on a day-to-day basis between the RCMP and the government?

**A/Commr Michel Arcand:** The conversations with the government took place at various levels. The government communicated with the commissioner and with me through a number of government programs.

**Mr. Gabriel Ste-Marie:** Thank you.

Is the RCMP in the habit of working with banks and financial institutions? We heard that the RCMP provided a list of names to the banks and financial institutions. How did that work?

• (1625)

**A/Commr Michel Arcand:** The RCMP works with financial institutions on a regular basis. Of course, with the emergency measures being put in place, financial institutions and police communicated more.

When the Emergencies Act was invoked, the RCMP offered to serve as the point of contact with financial institutions, on behalf of Ontario Provincial Police and the Ottawa Police Service, and that's what we did. The information on the individuals that we provided to the banks was based on information from the Ontario Provincial Police and Ottawa police, as well as our own information.

**Mr. Gabriel Ste-Marie:** Thank you.

When the finance officials appeared before the committee, we found out that the department had not provided the banks with any written guidance on how to deal with the accounts in question. For instance, they didn't receive any guidance on how to handle a joint account or an account from which child or spousal support payments were being made.

Can you tell us whether the RCMP had dealings with financial institutions or the government in relation to the details of the oral communications provided to the financial institutions or the details for freezing accounts?

**A/Commr Michel Arcand:** We did not have any discussions on the methods the banks would use to freeze and manage the accounts in question. We discussed how the information would be communicated to the banks, which were responsible for freezing the accounts.

We are unaware of whether the financial institutions and the finance department had any discussions.

**Mr. Gabriel Ste-Marie:** Basically, if those issues did come up, it would have been during the discussions between the financial institutions and the finance department. They weren't raised with you.

Broadly speaking, financial crime seems to be booming. The situation is ever-changing. Would you say the RCMP has enough funding and resources to combat all the types of financial crime out there?

**A/Commr Michel Arcand:** The RCMP works very closely with the private sector and other law enforcement agencies. The regime helps us make headway as well. Is the RCMP underfunded and un-

derstaffed? On the whole, the RCMP has a significant problem when it comes to resources.

However, we use the resources we have to combat organized crime. As far as money laundering is concerned, we work closely with the Financial Transactions and Reports Analysis Centre of Canada and other sectors.

**Mr. Gabriel Ste-Marie:** Thank you.

I see the chair is about to interrupt me because he doesn't like when I get on this topic.

I'm kidding. I'm out of time.

[*English*]

**The Chair:** No, of course, ask all the questions you want to.

[*Translation*]

Thank you, Mr. Ste-Marie.

[*English*]

We are moving to the NDP and MP Blaikie for six minutes.

**Mr. Daniel Blaikie:** Thank you very much.

I just want to go over this ground again. It's been said that these leaked lists of donors were not part of the information that was passed on by the RCMP to financial institutions. So how did the RCMP develop the list that they forwarded on to financial institutions? Would RCMP members on the ground have taken licence plates and derived the identity of the owner of the car that way? Were they card-checking people on the street in Ottawa? How did they identify the individuals who ended up on a list of names that the RCMP communicated to financial institutions?

**A/Commr Michel Arcand:** We did share information received from Ottawa police and Ontario police that was gathered initially. There were 15 entities provided to us based on information collected by those services.

The next phase was actually looking at the trucks or vehicles that didn't want to leave, that were blocking the downtown area of Ottawa in the illegal protests. We gathered intelligence information based on licence plates, names of companies and drivers at the same time.

**Mr. Daniel Blaikie:** Okay. We've also heard that only the names of people who were in the area were passed on. Was it only the names of people who were thought to be in Ottawa that were passed on, or were there names from the border blockades as well?

• (1630)

**A/Commr Michel Arcand:** We only looked into the use of the measure in Ottawa. It is possible that somebody from B.C. was located in Ottawa, but we looked at Ottawa only.

**Mr. Daniel Blaikie:** It's also been said that once people left the area in Ottawa, their accounts could be unfrozen. What did that process look like? Was that a kind of individual-led process? They got out of the area and they wanted to let somebody know. They wanted their account unfrozen, so they were going to call the RCMP or their financial institution. Did the RCMP proactively provide information to financial institutions if the RCMP independently was satisfied that the person had left? What was the verification procedure for unfreezing accounts, for confirming that people were no longer in the area in Ottawa?

**A/Commr Michel Arcand:** Some were as you just mentioned. People tried as well to go through the banking institutions to prove that they had left the area. Some of the information we had showed that a person had left the area, but you need to realize that even though the blockade was taken down in a few days, the downtown was very volatile, so we needed to make sure that the risk was not present. We also took the initiative to reach out to some entities to have a discussion with them, and from there we identified which ones were or were not designated and we provided information to the institutions so they could take action.

**Mr. Daniel Blaikie:** One of the things we've heard is that when people's accounts were frozen under the authority of the Emergencies Act, it was up to the financial institution that they bank with to decide whether to notify them that their account has been frozen under the authority of the Emergencies Act.

Do you think that ensuring that people were notified that their account was frozen as a direct result of the authorities granted under the Emergencies Act would have helped or enhanced the deterrent effect of freezing accounts?

**Supt Denis Beaudoin:** It's hard to really establish whether or not it would have helped, but what I can say is that proactively, before providing information to the banks, the RCMP also contacted a number of people to ask them where they were, and a lot of them would answer that they were in the blockades and they were not leaving, for example. Then we would tell them at that point so they would be aware of the emergency measures.

On top of the situation being very public, we also took action to call people ahead of time, before the information was provided to the financial institutions.

**Mr. Daniel Blaikie:** Would you say that the RCMP at least made an effort to contact everyone who was on the list you shared with financial institutions, prior to handing over the name?

**Supt Denis Beaudoin:** We have to understand that, as Assistant Commissioner Arcand said, 15 entities were provided by the Ontario Provincial Police and the Ottawa Police Service. Of the rest that the RCMP provided, I want to say that for the vast majority of them, an attempt would have been made to contact them to ascertain where they were before it was provided.

**Mr. Daniel Blaikie:** In the cases where those attempts were not made, would that be because the person met certain criteria, or would that be because of what we might colloquially call "falling through the cracks"—because the names came from other organizations, outside the RCMP?

**Supt Denis Beaudoin:** Some people may not have been contacted because the evidence was overwhelming that they were partici-

pating in the designated offence. It would have been on a case-by-case basis, based on all the information that could be gathered.

You have to understand that a lot of information was also available publicly to the banks and law enforcement. The totality of the information would have been taken into account.

• (1635)

**The Chair:** Thank you, Mr. Blaikie.

**Mr. Daniel Blaikie:** Thank you, Mr. Chair.

**The Chair:** I know the time goes fast.

Members, that ends our first round. We are moving into the second round.

We have the Conservatives up first.

MP Lawrence, you have five minutes.

**Mr. Philip Lawrence:** Thank you very much.

Thank you for your service to our country. It's greatly appreciated.

I'm hoping that you can clear up a little bit of confusion I have. First of all, just to establish the facts, my understanding is that you were very specific in the way you used the Emergencies Act. Only people who were actively involved in those protests had their bank accounts frozen. Is that correct?

**A/Commr Michel Arcand:** Yes.

**Mr. Philip Lawrence:** Thank you for that. Thank you for your brevity as well.

When we look at the order, it says, "any individual or entity that is engaged, directly or indirectly". So it is broad enough. Professors and other people have commented that this is certainly enough, that you could have provided information, and in fact bank accounts could have been frozen, just based on that area.

For your work, you didn't need the provision to be nearly that broad. Am I correct in that?

**Supt Denis Beaudoin:** We enforced the law as it was passed, but we certainly put a finer comb to it. As I said earlier, the sole purpose of using these methods was to clear the downtown area as peacefully as possible.

**Mr. Philip Lawrence:** Yes. Thank you for that. But it says "directly or indirectly". "Indirectly" gets to the financial contribution. You didn't use that. They had to have direct involvement in there. I understand the general deterrent, but when the justice minister goes out on TV and says that a financial contribution—granted, a large one—could result in your bank account being frozen, or you should be worried, anyway....

But that wasn't what the RCMP was doing. Is that correct? Unless someone was involved directly in the protests, you were not giving information to the bank accounts. I'm just confused as to why the government would spread this misinformation.

**Supt Denis Beaudoin:** I can't comment on what other people have said. The only thing we can offer is the way the RCMP used the act.

As with any piece of legislation, we make decisions sometimes, and in this case we made the decision to clear the protest as peacefully as possible. For example, we didn't provide information to insurance providers, because we really wanted to make sure the trucks would leave on their own—

**Mr. Philip Lawrence:** Thanks very much. I appreciate that. But for the purposes of drafting the act, if this ever came into...ever had to and hopefully never will, you did not need that broad a scope. You could have had it much narrower. It could have said “directly” as opposed to “indirectly”. That could have reassured quite a few Canadians who thought that their bank account might get frozen, as the justice minister said, just simply based on a financial contribution.

**A/Commr Michel Arcand:** For Ottawa, it was more used directly, but if we had other places with protests, we could have used “indirectly”. It is possible.

**Mr. Philip Lawrence:** But you didn't. Is that correct?

**A/Commr Michel Arcand:** For Ottawa we didn't.

**Mr. Philip Lawrence:** Okay.

FINTRAC was before our committee. They had some interesting testimony on the flow of the money into the crowdfunding and into the protests, that they did not see any evidence of terrorist activity. Did you see any evidence of terrorist activity in the funding of these illegal protests and blockades?

**Supt Denis Beaudoin:** I did not.

**Mr. Philip Lawrence:** Thank you for that.

I understand that there was an argument for general deterrents, but specific deterrents.... I understand that the spectre of having their bank account frozen may have held people back from coming out. However, even after the bank accounts started getting frozen, and this was released, I did not see the trucks leave until your officers did their great work and cleared the protesters. I did not see people get in their trucks and drive away when the bank accounts were frozen.

Am I missing something, or were there material cases of people saying, “Oh, my bank account is frozen; I'm getting in my truck and I'm driving home”?

**Supt Denis Beaudoin:** As I said, we contacted people before providing information to financial institutions. During this time, a lot of people wanted to leave, but were not in a position to leave because the streets were not cleared. We instructed these people to be ready and to make sure their truck was ready to leave when the streets were cleared, and then provided a picture of the situation on different streets in Ottawa. That information was passed on to the command centre in charge of freeing the streets.

• (1640)

**Mr. Philip Lawrence:** Thank you for your testimony. I see that my time is up.

**The Chair:** Thank you, MP Lawrence.

We are moving to the Liberals and MP Chatel for five minutes.

[*Translation*]

**Mrs. Sophie Chatel:** Mr. Arcand and Mr. Beaudoin, thank you for being here. Like Mr. Ste-Marie, I'm very proud of the job you did during a time that was gruelling for everyone.

We've talked a lot about the fact that it was possible to take measures much more quickly under the Emergencies Act. Had all the individuals who protested in Ottawa and around the country been taken to court, in order to freeze the funding for their unlawful activities, how long would that have taken?

**A/Commr Michel Arcand:** You make a good point. It's hard to know how long it would have taken, because each case is different.

Nevertheless, one thing is certain. We would not have been able to do it as quickly as the Emergencies Act allowed us to.

**Mrs. Sophie Chatel:** We might still be seeing protests all over the country otherwise.

Earlier, we were trying to figure out who all of this benefited. I think that's a pivotal question.

I'll give you some context.

Certain groups in the U.S., television stations and politicians included, spread propaganda associated with some of President Putin's talking points. Those same individuals publicly encouraged people to make donations in support of the unlawful activities taking place in Canada, specifically the freedom convoy and blockades. I find that very concerning.

I recently read two very serious economic studies. One was from the Cambridge University Press. A number of economists set about putting a figure on Russia's dark money. They estimated it to be \$1 trillion, with a quarter being held by Putin, himself.

Imagine one of Mr. Putin's cronies decided to fund—directly or indirectly—a platform for far-right groups and to donate \$1 million to fund the activity of groups in Canada looking to overthrow Canada's democratically elected government. Today, how would you find that information under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act?

**Supt Denis Beaudoin:** The changes that were made to subject crowdfunding sites to FINTRAC's rules will certainly make a difference in terms of giving FINTRAC the ability to identify those payments and transfers before notifying police.

**Mrs. Sophie Chatel:** If it happened today, would we know?

**Supt Denis Beaudoin:** Yes, because the act's coverage now extends to sites.

**Mrs. Sophie Chatel:** Yes, the Emergencies Act covers crowdfunding platforms, but the Proceeds of Crime (Money Laundering) and Terrorist Financing Act does not. Is that right?

**Supt Denis Beaudoin:** As I understand it, permanent changes are being made to that effect.

**Mrs. Sophie Chatel:** Including those platforms in the act is a good change, then. Last year, changes were made in relation to cryptocurrencies, which are now covered by the act.

The Emergencies Act covers service providers as well. Do you think it's a good idea to include them on a permanent basis?

• (1645)

**Supt Denis Beaudoin:** You're absolutely right. Financial crime is constantly changing, and as you said, cryptocurrencies and crowdfunding platforms play a role in that. It's important that we adapt and that FINTRAC have access to real-time information about those platforms to in turn notify police.

**Mrs. Sophie Chatel:** Thank you, Mr. Chair.

[*English*]

**The Chair:** Thank you, MP Chatel.

We are moving to the Bloc, with MP Ste-Marie, for two and a half minutes.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

Mr. Beaudoin, I'm going to stay on the topic of cryptoassets. You said earlier that protesters received support in the form of bitcoin—a cryptoasset—to the tune of more than one million dollars Canadian.

Were you the one who followed the money that funded the occupation in Ottawa? If so, did those cryptoassets come mainly from Canada or foreign countries?

**Supt Denis Beaudoin:** Staff examined the source of the funds, but I don't have that information with me.

**Mr. Gabriel Ste-Marie:** If you could get back to us with that information, I would certainly appreciate it.

In your efforts to combat financial crime and follow the money, why do cryptoassets pose a bigger challenge than traditional currencies?

**Supt Denis Beaudoin:** Bitcoin and other popular cryptocurrencies are the ones we hear about most, but there are about 17,000 virtual currencies out there right now, if I'm not mistaken. It only takes a few minutes for someone to create their own cryptocurrency. That means the landscape is constantly changing, so we need to adapt. It's so easy to create a new cryptocurrency that it makes it tough to enforce the act.

**Mr. Gabriel Ste-Marie:** Thank you.

Is it harder to track transactions based in existing cryptoassets that the force is familiar with—like bitcoin—than it is to track transactions based in traditional currencies?

**Supt Denis Beaudoin:** I would say yes. However, besides existing tools in the public domain to track funds, we have to develop our own expertise to stay abreast of and adapt to new methodology.

**Mr. Gabriel Ste-Marie:** My turns are only two and a half minutes long, and the next issue I want to discuss is insurance. I will need more time for that, so I'll come back to it in 20 minutes or so.

[*English*]

**The Chair:** Thank you, MP Ste-Marie.

We have the NDP up next.

MP Blaikie, you have two and a half minutes.

**Mr. Daniel Blaikie:** Thank you.

We've talked about the RCMP passing names on to financial institutions for the purposes of freezing accounts. We've heard a bit about the process, such as it was, for people to have their account unfrozen.

In a case where somebody disputes that they were in the Ottawa area and therefore maintains that their account was improperly frozen according to the legislation.... We've heard that they may not even have gotten a notification that their account was frozen under the authority of the Emergencies Act. How do they go about pursuing a remedy or trying to establish in a court, for instance, that they weren't there and that their account was frozen because law enforcement believed they were?

**Supt Denis Beaudoin:** We were in constant communication with the banks and the financial institutions at that point. We wanted to have open communication. If that had been the case, somebody would have called the banks and been able to prove to them that they were no longer or not involved in criminal activities. We certainly offered to be contacted by the banks to either affirm this or provide any information as necessary.

• (1650)

**Mr. Daniel Blaikie:** Not to belabour the point too much, but I think it's important for people to know. If they feel they were wrongly targeted, because they weren't in the area, I'm just trying to figure out what the process would look like for them, not only to have their account unfrozen but.... Are there any extant frozen accounts from the use of the Emergencies Act? I have to believe there aren't, because the emergency period has come to an end.

What documentation do people have in order to be able to say, "My account was frozen because someone believed that I was in the Ottawa area during that time. I was not in the area during that time, so my account was improperly frozen"? If they are seeking some kind of remedy or redress for that, on what basis would they do that? What kind of documentation would they have?

A phone call is one thing. They call the bank and say, "I was never in the Ottawa area. Unfreeze my account." The bank talks to you guys, and the account is unfrozen. However, in the event that there was some kind of timely transaction they weren't able to make because their account was frozen and they want to seek a remedy, what kind of documentation can they expect to get to help them in their effort to pursue that question with the courts?

**The Chair:** Could we have a short answer, please?

**A/Commr Michel Arcand:** I think the best way would be to communicate with their institution. From there, the institution will probably come back to us, and we'll have a discussion.

**The Chair:** Thank you.

Thank you, MP Blaikie.

We're moving to the Conservatives. We have MP Fast up for five minutes.

**Hon. Ed Fast:** Thank you very much.

I want to echo the congratulations to both of you and the RCMP for the role you played in effectively and peacefully bringing an end to the protest.

Mr. Arcand, I understand you testified that the freezing of accounts under the Emergencies Act was intended to encourage the influencers and the leaders of the protest to stand down. How many of the key leaders and influencers of the protest actually did stand down as a result of the banks freezing their accounts or the threat of their accounts being frozen?

**A/Commr Michel Arcand:** To answer your question directly, I don't have the specific numbers. The initial number that was provided to the banks on entities that we know were influencers, which came directly from the Ontario Provincial Police and the Ottawa Police Service, was approximately 14 or 15.

As for how many left, I don't have those numbers.

**Hon. Ed Fast:** Could I have you provide the committee with that information? It is critical because it goes to the very efficacy of the powers that were exercised under the Emergencies Act. What we want to know is whether the Emergencies Act actually achieved what it was intended to, which was to get the influencers and the leaders to back down.

Is it also your evidence that those freezing powers could have been exercised only by the triggering of the Emergencies Act?

**A/Commr Michel Arcand:** If you mean as a way to have the bank freeze the accounts, then yes.

**Hon. Ed Fast:** So there's no method outside of the Emergencies Act, no legal method, under which you could gain the power to have accounts frozen. Is that right?

**Supt Denis Beaudoin:** One thing we couldn't do was to share information with the banks. Really, that was the only thing police gained from the act, to be able to share information with the financial institutions. There is no provision in place that is so clear right now.

**Hon. Ed Fast:** But there is a provision for the RCMP to freeze accounts by getting a court order. Is that correct?

**Supt Denis Beaudoin:** Yes, but in this case it wasn't the RCMP that was applying to seize the assets, as it would be in normal cases. The police services were given the power to share information.

• (1655)

**Hon. Ed Fast:** All right.

Over the three weeks leading up to the triggering of the Emergencies Act, did the RCMP ever apply to the courts for powers to take down the blockade, for powers to freeze assets, to discourage protesters? Was there any point in time during those three weeks when the RCMP actually availed themselves of the existing policing and legal authorities to achieve a peaceful end to the protest?

**A/Commr Michel Arcand:** Your question is directed at the role of the RCMP, so with the protests in Ottawa, we weren't the lead agency on this. It was the Ottawa Police Service and the Ontario police service.

**Hon. Ed Fast:** Did the federal government ever ask you to take the lead, as it did in the end when it came to freezing accounts and bringing an end to the protests?

**A/Commr Michel Arcand:** For us, it was clear that the Ottawa Police Service had the jurisdiction on what was going on in downtown Ottawa.

**Hon. Ed Fast:** The RCMP had no involvement at all with the federal government in providing advice and opportunities...?

**A/Commr Michel Arcand:** We were providing advice and support, but the lead was still the police of jurisdiction.

**Hon. Ed Fast:** Did you ever ask the federal government to avail itself of existing legal and police authorities to bring an end to the protest?

**A/Commr Michel Arcand:** To my knowledge, no.

**Hon. Ed Fast:** I'm sorry to hear that. It's unfortunate that the Emergencies Act was even triggered in the first place. It was quite unnecessary, in my mind.

I have a couple of further questions, if I might, gentlemen, and I appreciate your candour.

How did the RCMP actually identify individuals targeted by the emergency economic measures order?

**Supt Denis Beaudoin:** There are two streams of people or entities that were disclosed to the financial institutions. The first one, as we mentioned, came from the OPP and the OPS, and those would have been or were the suspects in their investigation. The second stream came from the plate numbers of trucks and vehicles in the downtown area.

**The Chair:** Thank you, MP Fast. We're over time.

**Hon. Ed Fast:** Thank you.

**The Chair:** We are moving to the Liberals and MP MacDonald for five minutes.



**Mr. Heath MacDonald:** Thank you, Chair.

Thank you to both gentlemen who are here today. Thank you for what you've done. There was a lot of stress, obviously, on downtown Ottawa and at points of entry across the country, and it disrupted daily lives and obviously our Canadian economy. It's scary to think what could actually transpire going forward.

We've heard a lot of things. People have been saying that there was disinformation and there have been accusations, and there was all kinds of information that wasn't necessarily available at the time.

Is not part of the process of going through this to ensure that your intelligence is withheld within the law enforcement community that is providing the services to eliminate, basically, the occupation of downtown Ottawa? How much does that play...? Some of the questions are basically reverting to "Why didn't you do this?", or "Why didn't you say this publicly?", but to me, would that not be part of the process to ensure that your intelligence was kept within, to ensure the protection of society and the protection of your officers who were going to be in charge of this whole process?

**A/Commr Michel Arcand:** Yes, exactly. To add to this, it's also the safety of the citizens of Ottawa. We needed to make sure that everybody was safe and there was no violence to this.

**Mr. Heath MacDonald:** I was there for two straight weeks at my residence. I was in the red zone, and I can tell you that watching you guys do your job when you started moving people out of the city was pretty amazing, with no injuries basically and no retaliation to some extent, especially after what we've seen at Coutts and what could have transpired in that regard.

How beneficial was invoking the Emergencies Act for law enforcement? Could you just touch on the jurisdictional...? I ask because that was a question at the time: Why isn't the OPP getting involved or the Ottawa Police or the RCMP? How important was invoking that Emergencies Act to ensure there was a consistent process put in place for you to do your job?

• (1700)

**A/Commr Michel Arcand:** It allowed the RCMP to get involved with all of the law enforcement partners. It allowed us to use tools other than those that already existed. The tools allowed the Ottawa police, the Ontario police and the RCMP to be able to address the situation more quickly.

**Mr. Heath MacDonald:** I'll change pace here for a second. With FINTRAC, what red flags were there? We've seen an infiltration from south of the border, mainly of funding into the convoy through crowdfunding platforms and payment processing, etc. At what point were you notified by FINTRAC that there were red flags going up?

Is there an amount or is there some other avenue that you see or they see, and they provide you with detailed information to raise that red flag?

**Supt Denis Beaudoin:** It comes through a variety of different means. It could be that the amount is not aligned with what this entity should be doing. It could be the top-up of the amount or the number of transactions happening. It could be the origin of the money.

FINTRAC looks at this with their analysts, and when they feel there's something that needs to be disclosed to the police services, this is when they do so. There's not one specific thing: They look at the totality of the evidence and information at their disposal.

**Mr. Heath MacDonald:** Okay.

How much time do I have, Chair?

**The Chair:** You have about 30 seconds.

**Mr. Heath MacDonald:** I'll ask a quick question. How long did it take, once the Emergencies Act was put in place, for the RCMP, the OPP, the Ottawa police and parliament's security force to come together and provide the services you did to set up a plan of attack to remove people from downtown Ottawa?

**A/Commr Michel Arcand:** I don't have the specific answer to this, but as soon as the act was there, we looked at it and how we could apply it and other tools.

**Mr. Heath MacDonald:** Thank you.

**The Chair:** Thank you, MP MacDonald.

Members, we are moving into our third and final round. Each round takes about 25 minutes.

We're starting with the Conservatives and MP Albas for five minutes.

**Mr. Dan Albas:** Thank you, Mr. Chair. I will be sharing my time with MP Fast.

First of all, gentlemen, thank you for your service to our great country and for being here today to lend your testimony.

I have a few quick questions.

The first question is something that's been asked of me by a constituent, who noticed there's a certain amount of common sense involved when you want people to co-operate. One individual mentioned to me that it seems counterintuitive to say to someone, "We've frozen your accounts, so leave." Usually, when you want to encourage people to drive away or leave, it requires money. How do you respond to that?

**Supt Denis Beaudoin:** We felt that it was a good measure to put in place. We can see it on a larger scale right now around the world, but restricting people's financial assets certainly played a part in this.

**Mr. Dan Albas:** If you want someone to drive home, they're going to need money to buy gas and get a breakfast at Denny's on the way home.

**Supt Denis Beaudoin:** We were not expecting people to drive 2,000 kilometres right away. We expected them to maybe drive two kilometres away from the unlawful protest.

**Mr. Dan Albas:** Okay. Thank you for the answer, anyway.

The second question I had is how the order applied. Everyone seems to be fixated on Ottawa, and for good reason, but my understanding from reading the order is that anywhere there could be a blockade of any type of critical infrastructure like a bridge, etc., these tools would apply. Is that correct?

**A/Commr Michel Arcand:** Yes. You're right.

**Mr. Dan Albas:** There was no geographic targeting, as the Prime Minister and his ministers said. This is literally anywhere the government order could apply to a situation, and the RCMP could utilize those powers under the order.

• (1705)

**A/Commr Michel Arcand:** Yes, they could. Any law enforcement could provide the information to financial institutions.

**Mr. Dan Albas:** Whether or not the provincial police....? In Quebec, for example, Premier Legault mentioned that he felt it was not necessary to apply this to their provincial police. Is that correct?

**A/Commr Michel Arcand:** Yes.

**Mr. Dan Albas:** All right. I'm going to pass my time on to MP Fast, please.

**Hon. Ed Fast:** Mr. Arcand, I believe you also testified that the Emergencies Act, including the right to freeze accounts, made it easier for you to remove the protest. Is that correct? I'm trying to remember what you said.

**A/Commr Michel Arcand:** Yes. It did facilitate.

**Hon. Ed Fast:** Facilitate: Is it your testimony that it made it easier for you to—

**A/Commr Michel Arcand:** Yes.

**Hon. Ed Fast:** Okay.

Do you believe it's the function of policing authorities to have their lives made easier or in the first place to conduct themselves and have the powers that reflect due process and the rule of law?

**A/Commr Michel Arcand:** We apply the law that is offered to us and that we can apply to work towards the achievements we want to achieve.

**Hon. Ed Fast:** My fear was that the effort of the government to try to get the blockades removed in an easier fashion, rather than in a fashion that was appropriate for the circumstances, drove their decision to trigger the Emergencies Act. Yes, you were given additional powers that I believe facilitated your ability to get this done, but your testimony is that there were no efforts made in the lead-up to the triggering of the act that would have applied court orders to perhaps secure the kind of support that police authorities needed.

So you can understand my concern. That's why I asked the question. Was it your concern that your job would be made easier or was it your concern to comply with the rule of law and do it in a way that reflected Canadian standards and Canadian expectations?

**A/Commr Michel Arcand:** We were offered another tool to apply to facilitate and address the situation. It was the same thing with the Ontario police, who used the Ontario act.

**Hon. Ed Fast:** Yes. Was that tool necessary?

**A/Commr Michel Arcand:** It was. It shows...the economic measures order was necessary and useful.

**Hon. Ed Fast:** All right.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Fast and MP Albas.

We are moving now to the Liberals.

MP Maloney, you're up for five minutes.

**Mr. James Maloney:** Thank you, Mr. Chair.

To the RCMP and all of the law enforcement community, let me add my thanks to everybody else's. What you did in Ottawa—all of us were there, and we witnessed it—was truly remarkable, and you did it safely.

I'll pick up on something that Mr. Fast was just addressing. My thinking is similar to his, but I come at it from a slightly different perspective. Would you agree with me that the function of the police is to make the community safe, sir?

**A/Commr Michel Arcand:** It is the primary function.

**Mr. James Maloney:** Right. Those of us who were in Ottawa witnessed a situation where 4,000 or 5,000 people were scared to leave their homes and couldn't go to work for a period of three weeks. I was less concerned about their ability to stop at Denny's in Kingston and more concerned about the people of Ottawa being able to remove themselves from their homes and go about their business.

You started your evidence today by saying that the Emergencies Act measures were welcome, I believe. Could you explain in further detail what you meant by that, sir?

**A/Commr Michel Arcand:** Again, it's providing law enforcement other tools to address a situation like this and it permits that.

**Mr. James Maloney:** You felt that you didn't have those tools at your disposal before the invocation of the Emergencies Act. Is that right?

**A/Commr Michel Arcand:** Specific to the economic measures order, it was useful.

**Mr. James Maloney:** Am I correct in saying, then, that part of the reason you felt that way is that, as you said a moment ago, this was an Ottawa police operation, and until the invocation of the emergency measures act you didn't have the ability to work with all of the law enforcement agencies to resolve this situation peacefully? Is that fair?

**A/Commr Michel Arcand:** It brought the RCMP into the portrait. Yes.

• (1710)

**Mr. James Maloney:** Okay. Thank you.

I think Mr. Fast also mentioned the fact that nobody had sought a court order prior to the invocation of the act. How long would it take? For each of those 257 accounts that were frozen, if you were to do that by way of court order, each one would require an independent application before the court. Is that correct?

**A/Commr Michel Arcand:** You are right.

**Mr. James Maloney:** Each one of those could take days to run its course. Isn't that right?

**A/Commr Michel Arcand:** Each case is different, but it could take a long time for the investigation to be built and for the proper affidavit to be brought before the court, yes.

**Mr. James Maloney:** Right, and those applications would have been brought perhaps by the RCMP, but also perhaps by the Ottawa Police Service or perhaps even the OPP. Is that correct?

**A/Commr Michel Arcand:** You are right.

**Mr. James Maloney:** Absent the Emergencies Act you didn't have the ability to coordinate your efforts in that respect. Is that fair?

**A/Commr Michel Arcand:** For the portion involving the banks account, yes, you are right.

**Mr. James Maloney:** All right. Thanks.

Am I right that you said ultimately 257 bank accounts or thereabouts were frozen?

**A/Commr Michel Arcand:** It was thereabouts. It was 227 or 257—

**Mr. James Maloney:** There were significantly more than 257 trucks in Ottawa. There were certainly significantly more than 257 different groups of people in Ottawa, so this wasn't a blanket, shotgun approach to freezing bank accounts, was it, sir? You were doing this strategically in a way you thought would be fair and would help resolve the situation quickly. Is that a fair way of characterizing it?

**A/Commr Michel Arcand:** Yes, you are right.

**Mr. James Maloney:** Okay. Thank you.

Were the accounts that were frozen, by the way, entities from across the country or were they all Ontario based?

**A/Commr Michel Arcand:** There was a mixture of people from Ontario and other places.

**Mr. James Maloney:** Okay, and those other places, I assume, were overseas as well?

**A/Commr Michel Arcand:** I don't know about overseas. It was mainly in Canada.

**Mr. James Maloney:** Okay. This is my last question, sir. I believe you or your colleague said that the information was gathered several ways, one of which was by walking the streets of Ottawa and looking at truck identification. We know that the Province of Ontario introduced the emergency measures act that they have at their disposal, which allowed them to suspend commercial licensing for certain vehicles. Were you part of the information gathering that was used by the province in that process? When I say you, I mean the RCMP. No?

**A/Commr Michel Arcand:** No.

**Mr. James Maloney:** Okay. Those are all my questions.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Maloney.

We are moving to the Bloc.

We have MP Ste-Marie for two and a half minutes.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

I want to talk about vehicle insurance. Under the order, companies could, or were supposed to, suspend vehicle insurance policies.

Is it possible that a trucker whose insurance policy was suspended left the convoy and drove home uninsured?

**A/Commr Michel Arcand:** Driving without insurance is prohibited. That's why we didn't use that part of the order.

**Mr. Gabriel Ste-Marie:** You're telling me that the measure providing for the suspension of vehicle insurance wasn't used and that no one's vehicle insurance policy was suspended.

Is that correct?

**A/Commr Michel Arcand:** We didn't suspend any insurance policies under the order. The Ontario Provincial Police and the Ottawa Police Service used certain provisions to suspend commercial licences and probably insurance policies, but we didn't use that provision of the order.

**Mr. Gabriel Ste-Marie:** I see.

Did the government consult you on the matter? Did you provide any advice on the suspension of vehicle insurance policies when the order was being developed or drafted?

**A/Commr Michel Arcand:** No, not to my knowledge.

**Mr. Gabriel Ste-Marie:** Very well. Thank you.

Obviously, when we read that, we were stunned. We were told that an instruction was given to wait a bit before suspending the policy so that truckers could leave. Apparently, insurance companies were told to reactivate the policy once the individual had left the convoy or blockade. It seemed like the measure was difficult to enforce, to say nothing of the risk of truckers causing an accident and the victim not having access to compensation.

I'm reassured to hear you say that the provision wasn't applied. It doesn't appear to have been useful, something that can happen when a document is drafted quickly.

I'm almost out of time, so I'll leave it there.

Thank you, Mr. Chair.

• (1715)

[*English*]

**The Chair:** Thank you, MP Ste-Marie.

We're moving to the NDP.

MP Blaikie, go ahead for two and a half minutes.

**Mr. Daniel Blaikie:** I understand that these were temporary and limited powers, as you said, really focused on clearing downtown Ottawa of the illegal occupation, but there were other concerns around financing that were raised in the course of this, including the provenance of some of the donations being outside of the country and supporting some people who had very clearly insurrectionist goals and behaviour.

I'm wondering what the follow-up looks like. We are trying to understand how that happened, how that worked, and what Canada needs to do going forward in order to be able to protect itself from foreign interference helping to generate this kind of illegal activity again.

**Supt Denis Beaudoin:** Yes, at this point, it is limited, what we can share. There's an ongoing investigation and we wouldn't want to compromise it.

**Mr. Daniel Blaikie:** Okay, but it's understood that the authorities of the Emergencies Act are not part of that effort. That's a separate effort and investigation. Those powers were really used in a time-limited and temporary way to clear downtown Ottawa of the illegal occupation.

**Supt Denis Beaudoin:** That's correct, yes.

**Mr. Daniel Blaikie:** Thank you very much.

I don't have a lot of time remaining, but I'll offer you the remaining time if you have any recommendations for the committee to consider. Of course, part of our role is to look at what happened and at the use of the Emergencies Act and recommend any different ways of going about it in the future, in addition to highlighting any potential abuse of those authorities. I'm just wondering if you have any recommendations for the committee to consider.

**Supt Denis Beaudoin:** Yes, maybe clarity. In this case, the measures were not implemented for a long period of time, but in a case where they would have been, once something is seized or frozen by the financial institution, what exactly is supposed to be happening? Like I said, we maintained communication with the banks on a daily basis, and a lot of questions we didn't have...because we were not in *[Inaudible—Editor]* law, we would refer the banks back to their general counsel. For example, on seizing the shares of a company, which fluctuate, or things like that, what exactly are the banks supposed to do with that? The clarity is more on the bank, and maybe the previous speaker pointed to that at times.

**Mr. Daniel Blaikie:** Are there any assets that were frozen that have not been returned to their owners?

**The Chair:** Answer very quickly, please.

**Supt Denis Beaudoin:** Not to our knowledge. Again, it's up to the banks.

**The Chair:** Thank you.

Thank you, MP Blaikie.

We're moving to the Conservatives.

MP Chambers, you have the floor for five minutes.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

I appreciate the candour and comments so far.

Is it the testimony here today that outside the use of the Emergencies Act the RCMP is unable to work with other levels of jurisdiction?

**A/Commr Michel Arcand:** Well, each province has their own police act and they could request assistance, but they need to follow the process.

**Mr. Adam Chambers:** Did they not ask for the RCMP's assistance prior to the Emergencies Act?

**A/Commr Michel Arcand:** We did provide some assistance.

**Mr. Adam Chambers:** Okay. I'm just trying to understand how the Emergencies Act was necessary.

I appreciate that you mention it acted as a deterrent, but would it also not be true to suggest that a deterrent would have also been to enforce the law on the individuals who were breaking the law prior to the invocation of the Emergencies Act? That would have acted as a deterrent as well had we been arresting some of the heads of this movement.

**A/Commr Michel Arcand:** It's hard for me to comment on the process of how it was applied and how the Ottawa Police Service applied the request and all this, but to come back to the economic measures act, it had a deterrent....

• (1720)

**Mr. Adam Chambers:** Thank you.

Mr. Beaudoin, you mentioned earlier that the reason why a court order wasn't sought was that sometimes those last for a lot longer than the Emergencies Act, so were we saying that the reason we had to use the Emergencies Act was that the regular process would have been too harsh a penalty?

**Supt Denis Beaudoin:** No. I was just trying to differentiate between the two processes. As I also said earlier, the only thing that was gained for law enforcement was the ability to share. The process you're referring to is on application and law enforcement. In this case, law enforcement didn't apply to have something seized. We only shared information with banks, which would apply the seizure.

**Mr. Adam Chambers:** Thank you.

Some of my colleagues have mentioned how long it would have taken to go through the courts, but I hope what we're not hearing today is that we used the Emergencies Act because it would have been inconvenient to follow regular procedural fairness.

I think we have to see some evidence that the Emergencies Act was absolutely necessary to be used in this case, or that there were no other avenues available through which we could have achieved the same outcome.

I believe this has been very helpful in showing us some of the evidence before us.

I would yield the rest of my time to MP Lawrence, Mr. Chair.

Thank you.

**The Chair:** MP Lawrence.

**Mr. Philip Lawrence:** That's perfect.

Thank you for your testimony as we wrap up here.

I want to get into some of the specifics on the information that was shared. When you identified someone who was directly or indirectly supporting these illegal activities, was a briefing document provided to the financial institutions? What did that document look like?

**Supt Denis Beaudoin:** We did provide a document. Investigators would conduct a series of checks on public and police databases, and then they would provide the information that was gathered to the financial institutions for them to make a determination at that point.

**Mr. Philip Lawrence:** Was there personal information in there? Were there other things that were not public? Specifically, was their location, their wealth, their gender and their race included?

**Supt Denis Beaudoin:** There was some information available in the police database.

**Mr. Philip Lawrence:** I don't mean to be a stickler, but I asked some specific questions and I'd like an answer. Were any of the four or five characteristics that I identified included, and could you tell me which ones?

**Supt Denis Beaudoin:** Yes. It would have depended on what was available in the police database. For some of them, it could have been the sex, the height, previous police dealings, or whether they were suspected in other crimes or were witnesses in other crimes or different types of dealings, so a lot of different information. It's hard to enumerate every single category of information that was provided.

**Mr. Philip Lawrence:** Would this very private information have been provided to five, 10, or 15 financial institutions or just the one?

**Supt Denis Beaudoin:** No, it would have been provided to the financial institutions.

**Mr. Philip Lawrence:** How many would that be?

**Supt Denis Beaudoin:** It started with only the major banks, and then later it included the credit unions and other entities also.

**Mr. Philip Lawrence:** Mr. Chair, I see—

**The Chair:** That's about five minutes. I don't know if it's very short.

**Mr. Philip Lawrence:** Yes. I'll be really quick.

The point is that each one of these institutions would probably have had multiple people seeing this. Easily 50 or 100 people would have seen this very personal information of people.

**Supt Denis Beaudoin:** Yes, the information was shared with the financial institutions.

**Mr. Philip Lawrence:** Thank you.

**The Chair:** Thank you, MP Lawrence.

For our final questioner, we have the Liberals and MP Dzerowicz for five minutes.

**Ms. Julie Dzerowicz:** Thank you so much, Mr. Chair.

I want to thank our two witnesses for their patience and for doing such a great job in answering our questions.

While listening to the testimony, I had to take myself back into the situation of how it all started—the trucker convoy coming towards Ottawa and moving from a protest to an occupation. My sense is it's something that has never really occurred. It was highly unusual.

Perhaps I can ask this to any of our witnesses who want to talk to this. What was unusual about the situation, from the start and as it unfolded? Could you comment on that?

• (1725)

**A/Commr Michel Arcand:** That's a good question.

Over 34 years I have seen several protests, but as for a siege like this, in which people didn't want to leave and they took control of a downtown area in a major city, that was the first time really.

**Ms. Julie Dzerowicz:** Thank you. I appreciate that.

We have to almost remind ourselves about it, because there was not only the siege but also the blockades. Then there was not one but multiple blockades across the country. Had you ever seen that before, or was that the first time as well?

**A/Commr Michel Arcand:** You mean a movement like this in Canada that now is going global? No.

**Ms. Julie Dzerowicz:** Thank you. I appreciate that.

I want to confirm again that as things progressed—you mentioned, I believe, if I heard correctly—there were some consultations about some additional measures or powers that might be needed. My understanding is that the federal government had consulted with the RCMP, and the RCMP had indicated that they needed some additional measures to urgently address a situation that was rapidly, aggressively and unpredictably unfolding. Can you confirm that the recommendation was from the RCMP that additional Emergencies Act measures were needed, specifically the three you mentioned—the ability to share the information with the financial institutions, the ability to do so very quickly, and the ability to do so in a time-limited way?

**A/Commr Michel Arcand:** There are some areas in the act that served us. It really served us as law enforcement just for the travel, for example, in the emergency economic measures order.

We were limited to what we had in front of us, and when this came to us as law enforcement, it was another tool to be used.

**Ms. Julie Dzerowicz:** I don't want to put words into your mouth, Assistant Commissioner, but it seemed like things had progressed and it got to a point where we needed some urgent tools to be able to aggressively deal with the situation. That is what I'm hearing from today. The Emergencies Act was suggested in a time-limited and geographically defined way for us to be able to address the issue.

I've forgotten who asked this, but there was some comment about the local police being the area of jurisdiction and whether or not the RCMP should have advised our federal government. Again, I take it as being due to the unusualness and the first time we have this type of situation.

When there's what would be seen as a local situation on the ground in Ottawa, is it typical that the RCMP would go to the federal government and provide advice, or is there a tipping point? Is there a normal protocol that's in place?

**A/Commr Michel Arcand:** There are regular discussions with the government. We don't necessarily ask them to address the situation, but we could look at ways to address it.

**Ms. Julie Dzerowicz:** In my final 30 seconds, now that we've enacted and revoked the Emergencies Act—this is along the lines of Mr. Blaikie's questioning—if you had to make some recommendations, what have we learned that you might add to your...?

If you were consulted again, would you have added something, or would you have left it exactly as in your recommendations to our government around the Emergencies Act and the measures that you needed to bring things under control?

**A/Commr Michel Arcand:** It's hard to pinpoint exactly where we could have improved. One area of improvement, as explained by Superintendent Denis Beaudoin, is to have more precision on how we could freeze accounts and how we were going to be acting if it were for a longer period. There could probably be more guidance for the financial institutions.

To go back to exactly what area we we need to adjust, we will take some time to reflect on this and come back.

• (1730)

**Ms. Julie Dzerowicz:** Thank you so much. Again, thanks to both of you for your excellent presentation today and for your patience in answering all our questions.

**The Chair:** Thank you, MP Dzerowicz.

Members, we've had two panels today with excellent witnesses, I would say. That's what all members have been invoking here and saying on the invocation of the Emergencies Act to inform our study.

We want to thank Assistant Commissioner Michel Arcand and Superintendent Denis Beaudoin for their time, their remarks and their answers to many of the questions by the Standing Committee on Finance. Thank you, gentlemen.

Thank you also on behalf of all those—the clerk, the interpreters and the staff—who help with our committee. We thank you for your time.

**A/Commr Michel Arcand:** Thank you, Chair. I really appreciate the comments that were offered to all the law enforcement who were involved in Ottawa. I'll pass it on.

**The Chair:** It's well deserved. Thank you very much.

Members, shall we adjourn?

**Mr. Dan Albas:** Are you revoking the meeting?

**Ms. Julie Dzerowicz:** Immediately.

**The Chair:** Immediately, yes.

**Mr. Dan Albas:** I second that. Thank you.

**The Chair:** The meeting is adjourned.

---









Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>