



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Finance

EVIDENCE

**NUMBER 031**

**PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT**

Thursday, March 17, 2022

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Chair: Mr. Peter Fonseca





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Thursday, March 17, 2022

• (1435)

[English]

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

Welcome to meeting number 31 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 available via the House of Commons website. Just so that you're aware, the webcast will always show the person speaking, rather than the entirety of the committee.

Today's meeting is also taking place in a 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 in 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 the 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 and must wear a non-medical mask when circulating in the room. It's highly recommended that the mask be worn at all times, including when seated. Participants must 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'd 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 proceedings. The "raise hand" feature at the bottom 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 the committee room. Keep in mind the Board of Internal Economy's guidelines on 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. To 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, you must 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're participating virtually or in person.

I'd now like to welcome our witnesses. From the Automotive Parts Manufacturers' Association, President Flavio Volpe is with us. From the Canadian Credit Union Association, we have the president and chief executive officer Martha Durdin, and vice-president of government relations Michael Hatch. From GoFundMe, we have president Juan Benitez, and general counsel Kim Wilford.

Welcome.

At this time, the witnesses will have an opportunity to provide remarks for up to five minutes. We will start with the Automotive Parts Manufacturers' Association and Mr. Flavio Volpe.

**Mr. Flavio Volpe (President, Automotive Parts Manufacturers' Association):** Thank you, Chair, and members, for inviting me. I always appreciate the opportunity to have this forum and this platform.

In November 2021, Canada reciprocated an October announcement by the U.S. that unvaccinated cross-border truck drivers would no longer be allowed to cross the border without requiring quarantine, by January. Our industry expressed concern for the effect that might have, in an already tough time, on the mode of transport we rely on most for the critical export corridors that underpin our livelihoods.

At the time, I said this to the Toronto Star:

Trucking is the lifeblood of our industry. Cars get shipped via rail, parts get shipped by truck. This is hitting the industry at a time when supply chains are having the most difficulty they've had in a hundred years.

In fact, about half the production we make a year is exported that way, \$18-billion worth or so in a normal year.

As the deadlines approached and affected drivers began to make themselves heard in public, I was circumspect in an interview with *Automotive News*:

What will happen here is, if we're down 20 per cent of truckers, industries like ours will have to up-bid our access to available drivers.

In a Sun Media interview, I expanded on my point and my concerns:

...the trucking shortages, now exacerbated by the mandates, will cost parts makers in both Canada and the United States. [Our] members will now be competing with those wanting to move all kinds of goods as they seek truck space and drivers.

I was, and still am, a strong supporter of vaccinations, but we caution that governments have to be sensitive and flexible to what is happening. It was always going to be a choppy transition, but the public health leadership in this country had, by most quantitative measures, placed Canada favourably in comparison with the United States and other major countries around the world. We took this latest hurdle as something we could absorb for the greater good.

In March 2020, when the COVID pandemic caught everyone unprepared, it was auto parts companies that initiated the largest peacetime mobilization of Canada's industrial capacity in response. Our call to action was echoed immediately by government. Within two weeks, parts companies began to make masks, shields, ventilators, vaccine coolers, swabs and gowns. Dozens did so without purchase orders. Our industry has served as the prime example of extraordinary civic duty, and we've done so proudly for the last two years.

This is the context in which we experienced the lawless blockade of the Ambassador Bridge by anti-government actors who cloaked themselves in a phony "truckers" cause that shut down Canada's most important cross-border asset for the first time since 9/11. That singular event in February, which seemingly paralyzed governments and law enforcement as well, cost the highly integrated automotive sector approximately \$1 billion in unrecoverable production, and then cost approximately 100,000 Canadian automotive workers similar shift and pay losses.

On a regular day, about 10,000 actual truck drivers pick up and deliver \$50 million in goods from Canadian parts companies and deliver them to their U.S. customers. They return with a similar load from U.S. factories to Canadian automakers. Those drivers were forced to stay home, unpaid, while people who pretended to be them forced them to lose actual work.

[*Technical difficulty—Editor*] inauthentic political actors in Ottawa who shamelessly egged on their social media followers, and then was carried out by a couple of dozen macroeconomically illiterate followers. Its cost to Canadian industry in shipments is dwarfed by its cost in goodwill.

It was unfortunate that a court order secured on February 14, 2022, by the APMA as lead plaintiff was required to kick-start the

enforcement of the law in Windsor. We need to have a better overall mitigation plan in place amongst all levels of government to avoid future "freedom barbecues" from blockading critical public infrastructure.

Next week I will meet with the White House for the first time since this blockade ended to talk about how we continue to build an electrified Canada-U.S. auto sector together. I thought it best to let the dust settle and the embarrassment subside before I returned to Washington to lecture Americans about their trade obligations to Canada.

Thank you.

● (1440)

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

I also want to say congratulations. It's your birthday today, I understand. For taking this time on this special day of yours and joining our committee as one of our witnesses today, happy birthday on behalf of everyone.

**Mr. Flavio Volpe:** Thank you. We can't stop time, so I appreciate your marking it.

**The Chair:** That's right; we can't stop time.

We will now move to the Canadian Credit Union Association for their remarks.

You have up to five minutes, please.

**Ms. Martha Durdin (President and Chief Executive Officer, Canadian Credit Union Association):** Thanks very much, Mr. Chair.

Thank you, members of the committee, for the invitation to speak with you today. My name is Martha Durdin.

[*Translation*]

I am the president and chief executive officer of the Canadian Credit Union Association.

Joining me today is Michael Hatch, vice-president of government relations.

[English]

The CCUA represents 219 credit unions and caisses populaires outside of Quebec. Credit unions contribute nearly \$7 billion to Canada's economy by providing deposit, loan and wealth management services to over 5.9 million Canadians. Collectively, credit unions and regional centrals employ nearly 30,000 people and manage over \$280 billion in sector assets.

Credit unions are co-operatives. In other words, the people who bank with credit unions are the same people who own them. Being accountable to our member owners, as opposed to shareholders, results in customer service that is second to none. We consistently rank at the very top of surveys of customer satisfaction for financial services.

For rural members of this committee, it's important to note that in almost 400 communities across Canada, credit unions are the only on-the-ground providers of financial services to households and small businesses.

We worked closely with financial officials and the RCMP last month as the Emergencies Act measures were rolled out. We'd like to thank the minister and her team for keeping in regular contact with us in the heat of the crisis. We're particularly grateful to senior Finance Canada officials who provided, on short notice, an in-depth briefing to our members on the financial components of the measures. It was attended by over 600 representatives from across Canada.

We also have constructive feedback to provide on other elements of the process. In the early days of the crisis, there was the impression, not uncommon in our dealings with the federal government, that the large six banks were consulted or informed days before credit unions and other financial institutions were. Credit unions represent almost half the financial sector in some provinces, and millions of Canadian consumers. We need to be at the table in discussions with Ottawa at the same level as the federally regulated banks in all matters that directly impact our operations and our members, particularly in a time of crisis such as this.

When the measures were first announced, it was very unclear to whom the financial sanctions applied. Eventually it became clear that they were aimed at a very small list of individuals and entities. However, in the early days, there was some degree of panic among some Canadians that their accounts may be frozen due to such things as small donations to the convoy. In those important days, the government was less than clear about the intended targets of financial measures under the Emergencies Act.

Many of our members expressed this concern, and many Canadians made significant withdrawals from credit unions as a result, sometimes in the hundreds of thousands of dollars, and on a few occasions millions. While these withdrawals did not cause liquidity issues at all for credit unions, staff had to manage many very unhappy members. Better and much clearer communications from the government could have mitigated this.

One credit union leader wrote to us: "We had a tremendous amount of members very seriously concerned regarding the government's ability to seize accounts; it brought forward a large sense of

mistrust with the government that they could just seize individuals accounts."

The government also granted a significant level of discretion to financial institutions regarding whose accounts to freeze. This further contributed to confusion and to possibly an uneven application of the financial components of the measures. Many would have appreciated further guidance from the government on precisely which accounts would be frozen.

In the end, a relatively small number of credit union accounts were frozen. For a short period of time, our members froze a total of 10 accounts with a total value of less than half a million dollars.

We hope this feedback is helpful to the government and to the committee.

We're happy to take your questions, Mr. Chair.

• (1445)

**The Chair:** Thank you.

**Ms. Martha Durdin:** I know it's not the purpose of this committee's current work, but I just want to say that credit unions do stand with our Ukrainian Canadians. We have Ukrainian credit unions in Canada. We condemn, in the strongest terms, the war against the people of Ukraine.

Thank you.

**The Chair:** Ms. Durdin, thanks for those remarks. We do have one of those Ukrainian credit unions right here in my riding of Mississauga East—Cooksville, which we are very proud of. Thank you for your opening remarks and for being with us today.

We will now move to GoFundMe.

You have up to five minutes for your opening remarks.

**Mr. Juan Benitez (President, GoFundMe):** Good morning, Mr. Chair and members of the committee. It is our pleasure to join you all today to discuss important matters related to the "freedom convoy" fundraiser and social fundraising in Canada.

My name is Juan Benitez. I'm the president of GoFundMe. I am joined by Kim Wilford, GoFundMe's general counsel. On behalf of everyone at GoFundMe, we want to acknowledge the impact of the so-called freedom convoy on the citizens of Canada, in particular the residents of Ottawa and each of you.

GoFundMe is the world's most recognized and most trusted fundraising platform. Our mission is to help people help each other with a goal of being the most helpful place in the world. We are humbled that GoFundMe has become a noun, synonymous with receiving help and assisting communities. That impact is far-reaching, as we have delivered over \$17 billion in assistance to communities in 19 countries since the company began over a decade ago.

In Canada we are now delivering well over \$200 million in community assistance each year, including for such significant events as the Humboldt Broncos fundraiser in 2018 that raised over \$15 million, as well as the hundreds of other campaigns that help friends and family members with their needs and dreams every day.

Before we provide a timeline of events for the "freedom convoy" fundraiser, I would like to thank Ottawa authorities, notably interim police chief Bell, Mayor Watson and their teams for their collaboration and transparency. I also want to say that all our decisions and policies are guided by our terms of service, which are posted publicly and outline what is permissible and what is prohibited on our platform. Fundraisers relating to misinformation, hate speech, violence and more are prohibited by our terms of service.

The "freedom convoy" fundraiser was created on January 14. We began actively monitoring it the next day, based on significant fundraiser activity. Our initial analysis concluded that the fundraiser was within our terms of service and could remain active. On January 27 we initiated distribution of \$1 million through our payment processing partner. It was disbursed to the financial institution designated by the "freedom convoy" fundraiser organizer. It is our understanding that TD Bank has applied to an Ontario court to surrender the money that was in the organizer's account.

Following this disbursement, public statements from the fundraiser organizer began to shift in tone, and on February 2 we suspended the fundraiser. This effectively meant that all future donations and withdrawals were paused. From February 2 through February 4, we heard from local authorities that what had begun as a peaceful movement had shifted into something else. They shared reports of violence, harassment, misinformation and threatening behaviour by individuals associated with this movement.

During this time, we also commenced a review of where donations were coming from. Our records show that 88% of donated funds originated in Canada, and 86% of donors were from Canada.

On February 4, following concerning dialogue with the fundraiser organizer and her team, as well as continued updates from law enforcement and local authorities, it became clear that the fundraiser no longer complied with our terms of service. We removed the fundraiser from our platform, and on the following day initiated refunds to all donors via our payment processing partner, including all transaction processing fees, tips and the \$1 million already paid out. When the Emergencies Act was invoked on February 14, we immediately pre-registered with FINTRAC, as was required at that time.

GoFundMe aspires to be the benchmark for responsible operations in the social fundraising industry. Over 80 of our 400 employees are dedicated to policy creation and enforcement, data privacy, information security, regulatory compliance and prevention of pay-

ment fraud, financial crimes and money laundering. We employ industry experts, and consider ourselves experts and innovators in these areas.

Beyond the investments we make at GoFundMe for trust, safety and compliance, there are multiple layers in the regulatory framework surrounding social fundraising. All donations are processed, held and paid out by our payment processing partners. This means that GoFundMe does not directly interact with or hold any funds collected from donors, and nor are we ever able to redirect those funds. While GoFundMe is not currently required to report to FINTRAC, it is our understanding that in Canada, the authorized payment method used for donating and the financial institution that receives the donated funds are both regulated by FINTRAC.

In summary, GoFundMe controls, payment processor controls and banking system controls are the three layers involved in social fundraising operations focused on ensuring regulatory compliance. We believe responsible action is core to social fundraising, and we run our business accordingly. We proactively invest in the relevant processes, teams and tools to be the industry leader in this area.

There will always be opportunities to learn and improve, and we hope the committee acknowledges the responsible actions we took in close consultation with local authorities. While this committee and the Canadian government make decisions about how to move forward, we are happy to contribute our expertise. We look forward to continuing our assistance to Canadian communities.

We look forward to the committee's questions.

• (1450)

**The Chair:** Thank you, president Benitez and all of the witnesses, for your opening remarks.

We are moving now to our first round of questions from members. Each party will have up to six minutes to ask the witnesses questions.

We are starting with the Conservatives and MP Fast for up to six minutes.

**Hon. Ed Fast (Abbotsford, CPC):** Thank you, Mr. Chair.

Welcome to all of our witnesses. I appreciate your willingness to appear.

My first question is for Mr. Benitez. Thank you for your testimony.

You mentioned that 88% of funds originated in Canada, and over 80% of the donors were from Canada. Is that correct?

**Mr. Juan Benitez:** Yes. Thank you for that confirmation.

Yes, 88% of donated funds originated in Canada, and 86% of the donors to the campaign were from Canada.

**Hon. Ed Fast:** There was some suggestion in the media and elsewhere that [*Technical difficulty—Editor*] in funding the convoy. Is there any evidence that this is the case as it relates to the fundraising that was done through GoFundMe?

**Mr. Juan Benitez:** When we did our analysis of the source of funds that were donated to this campaign, we worked closely with payment processing partners and related financial institutions to assess the sources of donations based on the financial instruments that were used. For example, a credit card number will have a BIN associated with it, which reflects the banking institution that issued that credit card. We believe the analysis we did in consultation with our payment processing partners is accurate.

I would also add that we proactively did an analysis on the other potential foreign sources of funds for this campaign, given the unprecedented nature of the campaign, the speed at which it evolved and the impact that it ultimately had on Canada and, specifically, the community in Ottawa. We found, as reflected in the numbers shared with the committee in my opening statement, that there was not a significant foreign contribution.

**Hon. Ed Fast:** When you looked at the foreign contributions and the less than 20% of foreign donors—or whatever number, maybe 22%—were there any large donors that would have stuck out and would have raised red flags in trying to influence the outcome of this protest?

• (1455)

**Mr. Juan Benitez:** No, we did not discover that. Once we reviewed the donations, we did not identify significant donations or patterns that were there.

I believe Ms. Wilford might know the largest donation that we took on the campaign from a non-Canadian source.

**Ms. Kim Wilford (General Counsel, GoFundMe):** Thank you, Juan.

Thank you for the question.

The largest donation in this campaign was from a Canadian, and it was in the amount of \$30,000. I don't have the—

**Hon. Ed Fast:** That was the largest donation.

**Ms. Kim Wilford:** That was the largest donation. Yes.

**Hon. Ed Fast:** We're not talking about million-dollar donations that flowed in, trying to influence the events in Canada.

**Ms. Kim Wilford:** No. That's correct.

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

You also mentioned that you effectively froze the fundraiser once you discovered that there was what you referred to as “violence” and “harassment”, and that there were a number of other concerns that you had. Where did that information come from? Was it from

police authorities or other government authorities? Did it come from the media?

How did you establish the fact that there was a credible evidentiary problem with this convoy?

**Ms. Kim Wilford:** When this fundraiser was created on January 14, it was within our acceptable terms of use. There was nothing in our original diligence around the fundraiser organizer or anything in the campaign content that suggested that it violated our terms. The donation velocity is what caused it to get the attention of our internal teams. The next day, we started communicating with the fundraiser organizer and her team. It was on January 27, as Mr. Benitez said, that we initiated the \$1-million distribution from the campaign.

On January 31, our teams became aware of a statement by Ottawa police that caused us to want to reach out and talk to them to receive credible information about what was actually occurring. There was a lot of misinformation around this campaign and GoFundMe's role in it, so we were trying to get credible, consistent information from the authorities on the ground.

On February 2, our team spoke to local law enforcement and interim police chief Bell. On February 3, I spoke to Mayor Watson. On February 4, we again spoke to the local police in Ottawa.

However, as Mr. Benitez said, that first conversation with the local police is when we suspended the campaign on February 2. That stopped it from accepting any future donations and stopped any future disbursements from going out. We continued to do our diligence until we realized it had violated our terms and removed it from the platform on February 4.

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

Mr. Chair, how much time do I have?

**The Chair:** You have 30 seconds, MP Fast.

**Hon. Ed Fast:** Okay.

I have a quick question, Mr. Volpe. You referenced terms like “phony 'truckers' cause” and “inauthentic political actors”. Can you expand what you might mean by a phony truckers cause?

**Mr. Flavio Volpe:** What we saw on the Ambassador Bridge was that the drivers who had goods in long-haul vehicles were the people who were being blocked from delivering them. The people who were on the bridge were people with the closest association.... The trucks they had appeared to be pickup trucks that they drove to put in place in the middle of traffic. A different portfolio of vehicles blocked that road than what we saw on Wellington Street.

**Hon. Ed Fast:** But does that make them phony truckers—

**The Chair:** Thank you, MP Fast. That's the time.

We are moving to the Liberals.

MP Chatel, you're up for six minutes.

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

Thank you again to our witnesses for being here with us today.

I will start with a bit of context on where my concerns are. My questions will be directed to GoFundMe.

First, there were donations made to finance activities that were illegal and hurtful to the economy. Second, there were a number of foreign donations, and they increased as the illegal activities became more extreme and more hurtful to our economy, and to the residents of Ottawa, for example. At GoFundMe, 12% of donations were identified as foreign-sourced. That contribution increased to nearly 50% once you closed your platform to those donations, when GiveSendGo opened for donations. We also heard U.S. news channels with different standards, quite frankly, for the integrity for their information, which incited four-million-plus viewers to donate and participate in those illegal activities.

As part of the context, too, we know that Russia has been engaged in misinformation warfare for years. We only have to look at the Mueller report to understand that. They do have at their disposal, according to serious economic studies—one from Cambridge, Massachusetts—\$1 trillion in Russian dark money that is circulating and dedicated to undermining our democracy.

You accumulated \$10 million from donors, and the other platform the same thing, with more foreign donations. You paid out \$1 million to organizers of blockades that occupied Ottawa and the bridge for the stated purpose of defying our democracy, at the time Russia was preparing for war. That's the context, and it could have been a lot worse if you hadn't acted quickly and if our government hadn't acted quickly. This can no longer happen. I'm very glad to hear that you want to be a leader in protecting the integrity of the donation platforms.

My question for you is about the source of the donations. I know you're not subject to the proceeds of crime legislation, but if you were—which we will definitely look at.... The international work right now on identifying sources of financing focuses on the ultimate beneficial owner of an account. I say this because we know that Russia and all other money launderers hold bank accounts in every country under several shell companies, or even companies that appear legitimate. Therefore, what is your due diligence to look beyond the credit card holder?

• (1500)

**Mr. Juan Benitez:** Mr. Chair, first, we appreciate that our collaboration with authorities and our work in responsibly handling this unprecedented, fast-moving and complex fundraiser was recognized by the committee. Thank you for that. It continues to be our endeavour to be the most responsible platform. We appreciate the recognition.

I'd also like to remind the committee that the 88% of funds that we saw donated from Canada was on the GoFundMe platform, and we cannot comment on what might have happened on other platforms that sought to run this fundraiser after we shut it down.

Our fundraising diligence does focus first on the recipient of funds. As would be common in the financial services ecosystem,

that's where the so-called KYC, or “know your customer”, checks and the greatest diligence occurs, to know who will be receiving the funds and who owns the accounts that the funds will be deposited in. To do that, we run a system of checks that GoFundMe employees do. We collaborate with our payment processors, who also perform diligence in their checks. We oftentimes use their tools to perform that diligence about the funds' recipients and the owners of those accounts. Then, of course, the banks themselves would also be verifying the identity and “allowance”, let's say, of whoever owned those accounts to be on their platform and receive those funds.

On the donation side, donations can evolve quickly and rapidly. We do a risk-based review of donations based on the tools that we have—tools from third parties and our manual assessments that may happen. We progressively do those reviews based on the nature of the campaign. In this case, it was an unprecedented, fast-moving campaign with significant impacts, so we stepped up our donation reviews and proactively did that review of foreign sources. We feel comfortable with our policies and processes associated with those reviews.

**Mrs. Sophie Chatel:** Thank you for that answer.

With regard to the 88% of donations coming from Canada, was it enough for you to identify just the credit card holder and a bank account in Canada to satisfy yourself that they were Canadian, or did you take the extra step to look at who the bank account belonged to and whether it was from another bank account, and in which case whose account, all the way down through the chain?

• (1505)

**Mr. Juan Benitez:** Mr. Chair, I think the amount of diligence that happens is based on our assessment of risk for a certain person. As I mentioned, on scrubbing donations themselves, we do that on a risk-based approach to identify where the parties should be.

The general standard that we're aware of in the industry is reviewing the bank and the issuing bank of the payment information that's provided to us. No donations on the GoFundMe platform were anonymous. We have information provided from every donor. However, that information is subject to what is provided by the donor, so the most correct information to trace down is in fact the issuing bank of the actual payment instrument.

To go beyond that is substantial diligence and is quite complex, and in fact requires infrastructure and reliance on the banks themselves to have done that. I spoke earlier about multiple layers in the regulatory framework. That's where we would hope that ultimately the issuing bank of the credit card would be reviewing the owner of that card.



**The Chair:** Thank you. That's the time.

We are moving to the Bloc.

Monsieur Ste-Marie, you have up to six minutes.

[*Translation*]

**Mr. Gabriel Ste-Marie (Joliette, BQ):** Thank you, Mr. Chair.

I want to start by wishing everyone a happy St. Patrick's Day. I also want to let the chair know how much I like his festive tie. He is clearly wearing it with pride today.

My sincere thanks to the witnesses for being here. Not only were their opening statements informative, but so are their answers thus far.

My first questions are for Ms. Durdin.

Thank you for acknowledging our sisters and brothers in Ukraine. What they are going through is terrible.

You said in your opening statement that the government had briefed, and provided information to, the big banks—the ones in Toronto—before the credit unions. Is that correct?

[*English*]

**Ms. Martha Durdin:** Yes, it's our understanding that they did.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Would you say the government treats credit unions differently from the big banks, putting credit unions at a disadvantage?

[*English*]

**Ms. Martha Durdin:** That's not always the case, but I would say generally that the government turns to whomever they regulate directly through OSFI, namely the financial institutions. As you know, most of the credit unions—except for two—are regulated provincially.

We tend to be a little bit behind in getting information. For example, with the Emergencies Act, credit unions were not given a heads-up. As I understand it from the CBA's testimony, they were given a heads-up ahead of time, while we were not. When the act was announced, we were scrambling to find out if we were part of it and if it applied to credit unions. It took us a little while to be able to get that information from the government.

[*Translation*]

**Mr. Gabriel Ste-Marie:** That tells me there was a lot of uncertainty.

The job of our committee is to examine, and report on, what was done. My understanding is that, in this case, the government certainly could have done better.

[*English*]

**Ms. Martha Durdin:** Yes.

[*Translation*]

**Mr. Gabriel Ste-Marie:** You said the government provided you with a briefing, which was attended by 600 institutions. That's unbelievable.

[*English*]

**Ms. Martha Durdin:** That's right.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Did the representatives of the institutions get a chance to ask their questions? If each of the 600 representatives was given one minute for questions and answers, the meeting would have been endless.

Do I have that right? Was that the type of briefing you were given?

• (1510)

[*English*]

**Mr. Michael Hatch (Vice-President, Government Relations, Canadian Credit Union Association):** I can take that as well.

**Ms. Martha Durdin:** Finance held a briefing. We asked them if they would hold a briefing for our credit unions. We had 600 participants. There are 220-odd credit unions in Canada outside of Quebec, not counting Desjardins.

We had a lot of interest from the compliance people at the credit unions, the risk managers. There were many more people who attended this webinar than there are actual institutions.

It was not a free-for-all. The questions were managed through the chat, and we tried to respond to most of them during the presentation.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Did you have something to add, Mr. Hatch?

[*English*]

**Mr. Michael Hatch:** Thank you.

I had the pleasure of moderating that discussion, and you're absolutely right—it's impossible to manage hundreds of questions in an hour. However, it became clear pretty quickly that most of the questions were under four or five broad categories, so we did our best to address as many of them as possible with our colleagues at Finance, who did a fantastic job on very short notice, and we're very appreciative of those efforts.

After the fact—it was on a Friday, if I remember correctly—early the following week, we were able to spend a few days looking at the questions, making sure we answered everything, and then we put together a Q-and-A document that we were able to share.

Most of the questions—though there were dozens, if not hundreds—were under a few broad categories that I think we were able to address during that session.

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you for all the work you did.

What was your contact with the RCMP like?

We know that the RCMP sent the big banks a list of individuals whose accounts were to be frozen. Did the RCMP provide that list to all the credit unions in the same time frame?

[English]

**Ms. Martha Durdin:** Because of the number of credit unions, of course, as the association representing the credit unions, we worked directly with the RCMP. We managed those lists from the RCMP, put them on a secure site that we have and gave access to our credit unions to be able to pull those lists from the site.

[Translation]

**Mr. Gabriel Ste-Marie:** The RCMP was quite co-operative, then, and you didn't get the impression in your dealings with the force that it saw your institutions as less important than the big banks.

Is that right?

**Mr. Michael Hatch:** That's right.

**Mr. Gabriel Ste-Marie:** Okay. That's good to hear.

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

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

[English]

**The Chair:** Now we're moving to the NDP and MP Blaikie for up to six minutes.

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

Just along those same lines—and I'm speaking to Ms. Durdin—credit unions provide a lot of banking services. We're glad that credit unions can still call the services they provide “banking services”, despite some of the debate over that with OSFI. Is there anything that distinguishes your banking services from the banking services of the larger banks from the point of view of the emergency measures orders, in the sense of whether it's any less important to communicate with credit unions in a timely manner than it is with banks?

**Ms. Martha Durdin:** Credit unions are a lot smaller than banks. Our market share is a lot smaller than that of the big six banks, obviously. However, we do have an important part to play. In provinces like Manitoba, almost half of the market share is with credit unions. We serve close to six million Canadians.

So, yes, that's a huge chunk of consumers in Canada who need to be treated the same way they would if they had their financial services delivered by one of the large banks.

**Mr. Daniel Blaikie:** As my colleague mentioned earlier, a big part of our job here is to look at how these special powers were used and to make recommendations about how that could be done better in the event that similar powers were invoked in the future.

I'm just wondering if you have any concrete recommendations either for the committee itself or that you believe we should consid-

er making to government about how they might roll out these kinds of measures in a better way in the unfortunate situation where these powers may have to be used again?

• (1515)

**Ms. Martha Durdin:** I mentioned a couple of things in my opening remarks. I think making sure that credit unions are at the table at the same time is an important one. I think there was work the government could have done to be more clear about who they were actually targeting. As you know, there was a lot of misinformation in the first days, things like whether, if an individual made a \$25 donation to the convoy, their accounts would be frozen and that kind of thing. It became clear over time, but it did take a few days for that to become clear.

Michael, I don't know if you want to add anything. Those are two that come to mind.

**Mr. Michael Hatch:** No, it bears repeating that in any such future situation, whenever the federal government has to pull the levers of the financial sector to accomplish its policy objectives—be it for the Emergencies Act or for the Canada emergency business account, the CEBA program, from the early days of the pandemic—that it think beyond six institutions and that it consult all members of the financial sector on an equal footing. That is to say not only federally regulated institutions, but also our sector.

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

Two things that have been part of the discussion so far deal with what requirements, if any, financial institutions had to notify clients whose accounts had been frozen, whether they under the authority of the emergency measures order or under some other authority, and what financial institutions were expected to do with that information or any potential flags on people's accounts that should have been frozen under the order.

Can you give us your thoughts on each of those things—whether there was any clear direction provided in either of those cases, either verbally or in writing, and, if not, whether you think clear direction on those matters would be useful?

**Ms. Martha Durdin:** No clear direction was given to us in writing or verbally, as I understand it, to alert any individuals whose accounts had been frozen. That was left to the discretion of the financial institution.

I think some clarity around that would probably be useful in the future so that across the country there would be an even application of that part of it. If it's left to the discretion of the individual financial institutions, I think they would probably all handle it differently.

**Mr. Daniel Blaikie:** On the matter of what to do now that the emergency order has expired, was any direction given verbally or in writing as to whether the information that financial institutions have ought to be destroyed, whether it could remain on a file, whether it could continue to inform how the financial institution relates to that individual, or whether it's appropriate to have it factor into a risk profile for future banking activities with that individual? Did your organizations receive any direction on that?

**Ms. Martha Durdin:** We did not.

**Mr. Daniel Blaikie:** Would you consider that kind of direction to be useful?

**Ms. Martha Durdin:** Financial institutions manage their own risk portfolios, and they have ways of flagging individuals or companies in their reporting to FINTRAC on whether there is a risk. In particular, credit unions understand the relationships with individuals and with companies, because they tend to be smaller organizations. I think some flexibility in that regard is probably what I would recommend.

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

**The Chair:** That's the time.

Thank you, MP Blaikie.

Members, we are moving to our second round of questions. We're starting with the Conservatives.

MP Chambers, you have the floor for five minutes.

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

Welcome, witnesses. Thank you for appearing and for sharing your time and expertise with us this afternoon.

I'd like to start, following up on the questions of my colleagues Mr. Blaikie and Mr. Ste-Marie, with the credit unions. You mentioned that your members did, in fact, freeze accounts. Were there circumstances in which your members refused to freeze an account?

**Ms. Martha Durdin:** There were not as far as I know.

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

Perhaps you wouldn't mind double-checking that and getting back to us. There is some slight confusion as to whether that was a possibility or whether there was an obligation to do so. We'd be interested in knowing whether, upon receiving evidence from the RCMP, an institution did not freeze an account.

• (1520)

**Ms. Martha Durdin:** My understanding of the act is that the financial institution, upon receiving information from the RCMP, legally needed to comply and to freeze the account.

**Mr. Adam Chambers:** Right, and so your members would not have had a choice, then, would they have?

**Ms. Martha Durdin:** That's right.

**Mr. Adam Chambers:** That's correct.

Thank you.

You mentioned a couple of times that it wasn't clear at the beginning how narrowly or how broadly this act was to apply. Is that correct?

**Ms. Martha Durdin:** That's correct. Yes.

**Mr. Adam Chambers:** You did notice a material or a noticeable increase in withdrawal activity subsequent to the act.

**Ms. Martha Durdin:** I would say it's anecdotal. There was some activity of withdrawals.

**Mr. Adam Chambers:** Okay.

You're in the trust business. You're on the front lines dealing with clients. Obviously they need to trust you to hold their money. I feel that you're well suited to answer this question. Do you think there's been some erosion of trust between Canadians and government just after the act, or given how, maybe, confusing it was at the beginning, or with the miscommunication, whether intentional or not? How do you think that's impacted how people feel about their financial security?

**Ms. Martha Durdin:** Based on the fact that, speaking anecdotally, we saw some withdrawals.... I know that credit unions really had to answer a lot of questions from members about the circumstances under which the government can freeze accounts, because many Canadians were surprised that the government had that authority. I wouldn't make a broad statement, but I would certainly say that, for some, that was an issue.

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

I'll move to GiveSendGo. Has your company ever ignored a court order?

**Ms. Kim Wilford:** Thank you for the question.

I just want to correct you. We are GoFundMe; we are not GiveSendGo.

**Mr. Adam Chambers:** Pardon me. My apologies. Excuse that.

**Ms. Kim Wilford:** That's fine.

Mr. Chair, what I would say is no. We operate within all the laws of all the jurisdictions where we are. We would never ignore a court order, so no.

**Mr. Adam Chambers:** Right, and that's exactly what I would expect.

I guess what I'm getting at is had you been presented with a court order or the authorities had provided you with relevant jurisdictional requirements to freeze an account or take any action, it is conceivable that you would have complied. Is that correct?

**Ms. Kim Wilford:** That is correct. The facts and the circumstances of this case were so quickly evolving that once we had that credible, consistent information and we could see that the protest was turning in a way that violated our terms, we removed it from our platform. Certainly if we had some sort of court order, an injunction of any kind telling us that was occurring, we would have complied.

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

Do the campaigns that are active today all comply with your terms of use right now?

**Ms. Kim Wilford:** Mr. Chair, we have hundreds of thousands of campaigns. We are the world's largest and best-known social fundraising platform. All of our campaigns are required to comply with our terms of use, which clearly outline the permitted and prohibited conduct on the platform. When we become aware of issues through our reviews or through the help of the GoFundMe community, which can at any time report a fundraiser for any reason, we investigate all of those, and as circumstances change during the time that a campaign remains live on the platform, it may go from being within permissible use on our platform to not being, and at that point we will remove it.

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

You wouldn't have the capabilities to check that every single campaign on your platform would be compliant. Is that correct?

**The Chair:** Can you give us a very short answer, please?

**Ms. Kim Wilford:** In fact, we use a number of tools and technology to ensure to the best of our abilities that campaigns on our platform are within acceptable use.

**The Chair:** Thank you. That's the time, MP Chambers.

We are moving to the Liberals.

MP Dzerowicz, go ahead for five minutes, please.

• (1525)

**Ms. Julie Dzerowicz (Davenport, Lib.):** Thanks so much, Mr. Chair.

I want to thank all of the witnesses before us today. Thank you so much for your time. This is a very important meeting on the implications of the Emergencies Act, particularly the economic order measure. Thank you for being here with us today.

I just want to start off very quickly. I know that GoFundMe indicated that a high percentage of the donations that came in to them for the “trucker convoy”, which I'll put in quotes, came from Canadians. I do want to put on the record though, Mr. Chair—and I think it is important to do so—that according to a February 14 Toronto Star article, “Nearly 41 per cent of the more than \$10.7 million donated to the 'Freedom convoy' through an online fundraising site has come from the United States, leaked data suggests.” I think it is very important to put that on the record. We have found that sources have validated that, indeed, foreign investments have gone into the “freedom convoy”.

**Hon. Ed Fast:** On a point of order, Mr. Chair, Ms. Dzerowicz has purported to put evidence on the record. I hope that is not accepted as evidence, because quoting the Toronto Star is speculation; it's not evidence.

**The Chair:** Thank you, Mr. Fast. That's not a point of order.

Ms. Dzerowicz has the opportunity to make her comments freely. If she wants to cite where that evidence comes from, she can.

**Hon. Ed Fast:** I hope she does.

**Ms. Julie Dzerowicz:** Mr. Chair, I'm hoping you're not going to ding me for that non-point of order, but it looks as though Mr. Benitez might have something to respond to that.

Go ahead very quickly, Mr. Benitez, just because I'd like to go to Mr. Volpe.

**Mr. Juan Benitez:** Yes, thank you. I just want to quickly clarify that the statistics and numbers that we're quoting here are the facts of what we observed and processed through the GoFundMe platform. It may be that media reports—and I'm not familiar with this specific one—are related. You did mention leaked data. We had no leaked data on GoFundMe. That leaked data came from information run on a different platform that was not GoFundMe, so that data is not our data.

**Ms. Julie Dzerowicz:** No, and I'm sorry, Mr. Benitez, just in case you misheard me, I said it was GiveSendGo's leaked data. It

wasn't GoFundMe. If that did not come across clearly, I want to clarify that for the record. Thank you for that.

It was not you, and I was not disputing what you said, and I wasn't disputing your numbers at all. It was more another platform. I just wanted to leave with the public who might be listening that there is evidence that there was a foreign contribution into the “freedom convoy”.

I'll turn now to you, Mr. Volpe. You were very clear and articulate about the impact of the blockade of the Ambassador Bridge on the economy as well as workers. What damage did the blockades do to Canada's international reputation, and had they not been stopped through some measures like the Emergencies Act, what would the additional blockades or renewed blockades have done?

**Mr. Flavio Volpe:** The automotive industry in Canada is very integrated with the American industry, as \$50 million worth of auto parts cross the Ambassador Bridge every day, and about \$50 million come back in the other direction. The blockade stopped car-maker plants in Michigan, Ohio, Illinois, Kentucky and further afield in Tennessee.

At this time, Canada is currently negotiating with the United States on its electrification plan and where those federal investments and the critical mineral assets are sourced from. The blockade event at the bridge highlighted to American lawmakers that they are vulnerable to an interruption. Because of that, we are now debating publicly with Michigan-based lawmakers who introduced an original EV tax-credit plan that was to be “America only”, and the blockade has given them fuel for their arguments.

The industry that I represent is 120 years old in this country and it has built a continental spine that does not operate with the border as a risk. It is now part of that discussion.

**Ms. Julie Dzerowicz:** I'm not sure if you're able to answer this, but from your perspective, what was unusual about the blockade that you saw at the Ambassador Bridge? Was there anything unusual about it?

• (1530)

**Mr. Flavio Volpe:** First of all, it was publicly disavowed by the Canadian Trucking Alliance and the Ontario Trucking Association. All of the major logistics companies that our companies use, the bonded companies, have publicly expressed that they had a 100% vaccination policy for their drivers. Those drivers who did not get vaccinated were reassigned to intra-country shipments.

The people on that bridge self-identified as truckers, but that doesn't typically meet an evidentiary standard. By that measure, that protest could have been a shinny hockey protest, a restaurant worker protest or a Canadian Conservative Party protest—given that it was encouraged by those leaders—or participated in by people who come from different walks of life. None of that blockade was made using long-haul trucks or by organizations that are in long-haul trucking.

**The Chair:** Thank you.

Thank you, MP Dzerowicz. That's your time.

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

[*Translation*]

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

Mr. Volpe, all the blockades took a great toll on the economy. I found your remarks particularly compelling. You said the blockades impacted even factories in the U.S. The consequences were awful.

A while ago, one of my fellow committee members said that the government had acted very quickly. What I saw, however, was a government that waited three weeks before doing anything, letting the situation deteriorate, so I disagree with her.

Do you think the government should have acted sooner, instead of waiting three weeks?

[*English*]

**Mr. Flavio Volpe:** It was our publicly expressed opinion at the beginning of the Ambassador Bridge blockade that there were existing laws that law enforcement on the ground could have enforced. Both the municipal and provincial law enforcement agencies that dealt with the roads leading to that bridge appeared paralyzed. We were in direct contact with officials at all three levels of government. We implored them.... We thought the Highway Traffic Act was in place and if it were enforced, it could have addressed this crisis right when it started.

After it closed the first day, we immediately went to court as lead plaintiff, joined by the City of Windsor, and then the attorney general's office in Ontario joined us as intervenors. I think this is a case study in what a one-day, two-day or three-day delay means in law enforcement. A delay in law enforcement of that time leads to a dynamic, but fragile, economy.

There are lessons to be learned by every single agency and level of government.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you for that very informative answer.

That means legislation was in place that would have allowed law enforcement to intervene. I gather that the political will was lacking. Let's hope it never happens again.

Thank you for your answers.

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

[*English*]

**The Chair:** Thank you, MP Ste-Marie. That's right on time.

We'll now move to the NDP.

MP Blaikie, you have two and a half minutes.

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

Mr. Benitez and Ms. Wilford, it seems to me that the consequence of GoFundMe shutting down the fundraiser on its platform is that the activity shifted to another crowdsourcing platform. That's

maybe lost business for GoFundMe. It's also GoFundMe successfully discharging a certain amount of risk in the business that it was doing with respect to that organization. But from a public interest point of view, it wasn't mission accomplished, because it meant that the activity that was a problem could continue.

I'm wondering if you have any reflections for the committee on the state of the crowdsource funding industry. I think we want to avoid a situation where good actors who are doing their due diligence are punished, or perceive themselves to be punished. The problem itself isn't being dealt with, but it means that somebody else is doing the work and getting paid to do work that arguably shouldn't be done.

I'm wondering if you have any comments for us on the nature of the industry and on whether some kind of additional regulation is required in order to make sure that we're rewarding good actors and not simply shifting business away from good actors and still having the same activities be supported by the crowdsourcing industry.

• (1535)

**Ms. Kim Wilford:** Thank you so much for that question.

You know, social fundraising is actually a relatively new phenomenon. GoFundMe was founded in 2010. Our mission is to help people help each other. Right now with the Ukraine crisis, we've raised, just since the invasion, over \$50 million from over 140 countries. As you say, it's wonderful how people can come together to help one another in times of need. We want to make sure we don't do anything here that would impact that.

At the same time, to your point, there aren't any existing laws or regulations, to my knowledge, that directly regulate peer-to-peer crowdfunding that's done on platforms. What we do see in other regions around the world is the regulation falling on the fundraiser organizer, the person who's actually responsible for soliciting the donations. In some jurisdictions, those individuals are required to get permits or government approval before they start fundraising. In other jurisdictions, like Singapore, we see voluntary codes of practice that their online fundraising platforms are asked to adhere to that outline best practices for protecting users; certain prevention against data leaks; privacy rights; early fraud detection, and things like that.

I'm really only aware of one country, and that's Romania right now, that puts regulations on the donors. It has to do with the amount of the donation. If you try to raise over \$200 U.S. on a [*Technical difficulty—Editor*] paperwork with the Romanian government and go through a different process. So [*Technical difficulty—Editor*] data privacy—

**The Chair:** Thank you for that. We are well over time.

Thank you, MP Blaikie.

We will now move to the Conservatives.

MP Lawrence, you have up to five minutes.

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

I'll start with you, Mr. Volpe. I was struck by some of your early testimony, where you stated that the vaccine mandate for truckers was causing some challenges. The reason is that I was just in Peterborough at a factory, and they stated to me that their cost of shipping had increased by five times. They ascribed that specifically to the Trudeau trucker vaccine mandate.

Has that affected your members?

**Mr. Flavio Volpe:** Certainly, the cost of trucking had gone up. We saw that it was around 10% to 15%.

I'd be curious to hear what they're actually shipping in Peterborough and who's shipping it. For volume suppliers who have the trucks picking up hundreds of thousands of dollars...a day, we're definitely seeing a linear relationship with the shortage of drivers—that's before the mandates—and the potential new shortage. We thought this number could have been about 20% in total.

We're also an integrated industry. That cost was the exact same on the other side of the border. In fact, Canada's new mandates were a reaction or a reflection of a similar American mandate.

**Mr. Philip Lawrence:** Thank you for that, Mr. Volpe. We did see a sizable increase in the cost due to the trucker mandate. Thank you for that.

I want to now turn briefly to GoFundMe and give you an opportunity to clarify the following. With respect, I think one of my colleagues was a little bit irresponsible in speculating about a Russian government connection. In your search and in the way that you review transactions, did you uncover any connection between the illegal protests or blockades and the Russian government?

**Mr. Juan Benitez:** Thank you for the question.

Mr. Chair, I'm glad that Ms. Wilford also referenced [*Technical difficulty—Editor*] where contributions may be negative. That said, there are tremendous amounts of foreign contributions that are very positive to campaigns. I believe over 80 countries contributed to the Humboldt Broncos campaign.

For this campaign, we did review the sources of donations extensively, given the size and impact of this campaign, as we said before, and 12% of the donations came from outside of Canada. There was virtually only perhaps a handful, at most, of donations from Russia. In our opinion, and from the evidence that we see, there was no coordinated effort there to have any kind of contribution or impact.

• (1540)

**Mr. Philip Lawrence:** Perfect.

Thank you very much for your testimony and for helping people across the world. We appreciate that.

Ms. Durdin, perhaps I will finish off with you. I think you were put in a very difficult situation, and I think many of your credit unions were.

The actual emergency measures act says that accounts could be frozen for any “designated” person. A designated person could include anyone who directly or indirectly supported... As the Finance official said in testimony, even a \$50 donation might qualify.

You were put in a position, without instructions, to freeze accounts. I know my colleagues asked some questions, but I'm wondering if I could get a little bit more clarity on exactly what instructions you were given, when you were given them, and by whom you were given the instructions with respect to the freezing of your members' bank accounts.

**Ms. Martha Durdin:** Michael, do you want to take that question? You were on the front line of that more than I was.

**Mr. Michael Hatch:** Yes. It's difficult to go back and recall the minute by minute and the day by day in the heat of the crisis. The minister's office ultimately made it clear that credit unions were to be captured by the invocation of the Emergencies Act and the financial sector measures contained therein. It was also clear to us, as we said before, that the large banks, perhaps, had a few days' head start, not on the details but at least on the fact that something of this nature was coming.

I reviewed the testimony of the Bankers Association when they appeared at this committee. They indicated that while they knew a few days ahead of time that something of this nature was coming, they didn't get the details until the regulations were published publicly, which is when we all saw them. That was Wednesday or Thursday of that week. I don't remember the precise timing.

There was a good, I would say, 36- or 48-hour period in the middle of that week during which there was a great deal of confusion with regard to (a) whether or not this would apply and (b) the nature of that application.

**Mr. Philip Lawrence:** Mr. Chair, am I done?

**The Chair:** Yes, that's the five minutes.

Thank you, MP Lawrence.

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

**The Chair:** We're moving to the Liberals. I have MP Baker up for five minutes.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thank you, Chair.

I'd like to thank all of our witnesses for being here today.

I'd like to say a few things, and then I'll ask a few questions.

First of all, I would like to thank you, Ms. Durdin, for what you said at the outset about the work that your credit union community is doing, especially the Ukrainian credit unions in Canada. Like our Chair, I have a Ukrainian credit union located in my riding. I have worked closely with the Ukrainian Credit Union and with the Buduchnist Credit Union over the years on a range of community initiatives, and one of the things that have always impressed me about credit unions, whether it be those two or others, is the extent to which they give back to their communities.

I would ask you to pass along my thanks to those two in particular, but to the others as well for what they do, not just from a financial service perspective but also for communities across Canada, especially mine in Etobicoke Centre.

The second thing I want to say is that you shared your solidarity with the people of Ukraine, and I know that feeling is unanimously shared among the MPs in the House of Commons. We've seen that repeatedly.

One of the things I want to ask of you and of our friends at GoFundMe is that we do all we can. As legislators we need to do what we can, but also I ask that private sector entities and players do all they can to show our solidarity not just with the people of Ukraine but with others who are fighting for their freedom and their democracy.

This isn't a question but is maybe just a request. As you go back from today's hearing, having heard some questions about the role of dark money and foreign money and money from Russia in particular, as well as other sources of those types of funds, I would just ask both of your organizations and the organizations you represent, Ms. Durdin, to think about what more we can do to make sure that those funds that are flowing, that are influencing and undermining a democracy or feeding misinformation or undermining our security or enabling what we are seeing right now in Ukraine get stopped. I know it's not easy. I know it's challenging but I just implore you that we live up to those words with our actions to the extent possible. That applies as well to us, as MPs, of course, but I would ask all of you to do the same, if I could, whether that's through your analytic tools or whether it's through innovative and entrepreneurial thinking.

One of the reasons those credit unions are working so hard to raise money for humanitarian causes and one of the reasons that GoFundMe has raised so much money right now for humanitarian causes is that this invasion has been enabled partly through the use of illicit funds around the world. We have plenty of evidence to show that.

I'm not pointing to specific money that's flowed to specific causes. I don't have those analytics, but I'm just saying in general that we know this is a problem and I'd just ask you to do your best. That's my request of you.

My question, Ms. Durdin, is really to you, about the indications of the Emergencies Act. One thing was a question about the notice given to people whose accounts were frozen. There is obviously a range of circumstances under which someone's account may be frozen—if they refuse to pay their taxes, for example, or if a financial institution notices something suspicious in their account. My understanding is that it's also standard procedure for a credit union or a bank or whatever the case may be to not necessarily notify a client whose account has been frozen under those circumstances. Is that correct? Am I wrong in understanding that?

Is notice immediately given? If not, for what reasons do financial institutions not immediately provide that notice?

• (1545)

**Ms. Martha Durdin:** I would have to say that under the circumstances of the Emergencies Act there wasn't a directive given to credit unions to notify when accounts were frozen.

I'd also like to clarify that if a credit union is suspicious about transactions, they don't freeze the account for that reason. They report it to FINTRAC. FINTRAC then takes whatever action it needs to with the RCMP, which would perhaps end up in a court order, and that's when a credit union would freeze an account.

The Emergencies Act overrode that, as you know, and made that court order unnecessary in these circumstances.

I can say that credit unions in a lot of cases—and again this is anecdotal, as I'd have to go back to get the information for you—did have conversations with their members on freezing their accounts. In fact, I saw a live-feed tweet in which someone whose account was frozen actually broadcasted the phone call from the credit union to announce that his account had been frozen, so he was notified.

It is at the discretion of the organization. I would say that credit unions have perhaps closer relationships with their members than some large financial institutions would have, and credit unions would have a conversation with their members.

**Mr. Yvan Baker:** Thank you.

**The Chair:** Thank you, MP Baker. That's the time.

Members, I'm looking at the time. We have approximately 12 minutes left. As we do when we have limited time in our final round, we will divide it equally. We're looking at about three minutes per party.

We'll start with the Conservatives.

MP Albas, you're up for three minutes.

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

Mr. Volpe, I'll start by saying happy birthday. I'm sorry you have to spend it with me. I wouldn't want to spend my birthday with me, but I have to.

I'd like to talk to you a little bit about the mandates and some of the experiences of your organization. Ultimately, the Windsor-Detroit bridge was cleared under provincial provisions, not federal. Is that correct?

**Mr. Flavio Volpe:** It was cleared under orders from an injunction that we sought in superior court in Windsor.

**Mr. Dan Albas:** So you went alongside with the City of Windsor, as well as the province, and then a court order was sought. You received that, and that's when the authorities came in. Is that correct?

**Mr. Flavio Volpe:** Sure. We went as the plaintiff, and then a day later the city and the province joined the injunction.

**Mr. Dan Albas:** Okay. That's fair enough.

You mentioned that there were existing authorities under the Highway Traffic Act enforcement. That's the Ontario legislation. Is that correct?

• (1550)

**Mr. Flavio Volpe:** Yes. It's the same act that says you can't park in the middle of the 401.

**Mr. Dan Albas:** Okay. All right.

You also mentioned earlier the “latest hurdle”. I'm referring to the mandates. Is your organization still opposed to the mandates in general?

**Mr. Flavio Volpe:** Well, I wasn't opposed to them. We said that we need to be sensitive that there would be a cost. I also said that we were willing to take that as the cost of doing business, but we needed to be sensitive to it.

**Mr. Dan Albas:** Okay. Was it more based on both the United States and Canada having their own rules on it, which was going to cause some issues with logistics, etc., and just the extra costs?

**Mr. Flavio Volpe:** Yes. What will end up happening is that if you have fewer drivers, 20% fewer drivers, then the cost of those drivers.... As I said publicly, auto parts suppliers would have to out-bid pork producers or other shippers at the time. That drove up the price for sure.

**Mr. Dan Albas:** Yes. So with your comments that you need to be cautious and flexible, it was just that you understood the reality that the governments were regulating in this case, but it wasn't.... Truckers for the most part had two years where essentially they were doing all the work, crossing from both countries, without a mandate.

**Mr. Flavio Volpe:** Correct. Yes.

**Mr. Dan Albas:** Thank you very much for that.

I'll move over just briefly to the credit union.

Ms. Durdin, thank you for the work that you and Michael do. I have a quick question regarding the treatment of credit unions. I want to reiterate what some of my colleagues have said, that it seemed that during this pandemic, and even to today, the credit unions seemed to be left out. You were left out of the Canada emergency business account. It took several weeks for your members to get in on that. Again, it seems to be the same process here.

Is it a structural thing in Ottawa that credit unions are not given the same access to departmental officials? What's your view on this?

**The Chair:** Please give a quick answer.

**Ms. Martha Durdin:** I think it's just that the government doesn't automatically think of credit unions. We seem to be an afterthought, in many cases. We do have good access to Finance officials, but we have to be the instigators. We have to be the ones knocking at the door.

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

We're moving to the Liberals.

MP Chatel, you have three minutes, please.

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

Look, disinformation warfare is absolutely real. There's no doubt in our minds. It entices people to donate to causes that are harmful to our democracy. My Conservative colleague is at best very naive to think that misinformation to undermine democracy does not exist, especially from people now noticeably repeating Russian propaganda.

Ms. Wilford, you started to give a very good answer to the question my colleague Mr. Blaikie asked you earlier. We are all aware of the issues and the dangers and risks caused by the illicit financing and use of money. We want to make sure that those platforms are indeed used for good causes.

What especially are your recommendations for us to ensure the integrity of those platforms and the use of the money being raised? You were starting to quote certain foreign legislation that perhaps are ahead of us in ensuring such integrity. Would you please continue to enlighten us on those practices?

**Ms. Kim Wilford:** I wish I were the sort of expert that you may think I am. I am pretty well versed in the regulations in the jurisdictions where we operate and other markets where we decide to go, and where our donors are coming from.

What I was trying to say last time is that there are a number of laws right now protecting users and the platforms. You have everything from privacy and data security to consumer protection regulations. Our payment processors and the banks are all bound by their own financial regulations. They report to FINTRAC, as we know. They report to FinCEN in the U.S. There are a number of regulations that exist.

At the same time, we're always trying to provide the safest and most secure experience for our users. We believe that being a responsible platform helps them understand some of the laws that are in the existing jurisdictions where they are donating from.

As I was saying, in some jurisdictions, we see that fundraising for charity is quite regulated. We see that you need to go to the government to get a permit to do that in places like Australia, Denmark and Finland. We see in Singapore that they have this voluntary code of best practices where they look for the online platforms to sign up to, and then the platform puts that on their website as a badge of honour. We comply and they get audited by the government, so that the users and citizens can feel like the checks and balances are in place.

As I was saying, Romania is really the only one I'm aware of—but that doesn't mean that others don't exist—where they limit the donation amounts. They're looking to regulate the donor. The issue is that—

• (1555)

**The Chair:** Thank you. I apologize, but that is the time we have.

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

[*Translation*]

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



My question is for Ms. Durdin and Mr. Hatch.

Did your member credit unions freeze only the accounts of individuals whose names were on the RCMP's list, or did they freeze other accounts as well?

[*English*]

**Ms. Martha Durdin:** My understanding is that they follow and are very closely aligned with the list provided by the RCMP.

[*Translation*]

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

When I read the orders that were made to enforce the Emergencies Act, my sense is that they were drafted in a very vague and broad manner, particularly when it comes to the guidance for financial institutions.

Finance officials told the committee that the department did not provide you with rules or details in writing; the information was provided only verbally.

After reading the orders, I wondered how institutions were supposed to handle joint accounts. I wondered what would happen to child support and rent payments coming out of the accounts in question. Those are just two examples to illustrate a much broader issue.

Was the department's failure to provide clear written guidance a problem for you?

[*English*]

**Ms. Martha Durdin:** Because it happened so quickly—the Emergencies Act was put in place on February 15 and it was revoked on February 23—those kinds of issues would probably just be starting to arise. Had it been further extended, they would have had to address those particular issues, but they became a moot point because it was withdrawn.

[*Translation*]

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

Did you have something to add, Mr. Hatch?

[*English*]

**Mr. Michael Hatch:** Yes. Thank you.

Very briefly, some of those technical questions with regard to joint accounts and other types of accounts were raised in the briefing session on the Friday with Finance. They did a good job of answering them. While answers were not provided in writing, they were provided verbally.

Ultimately, the fact that only 10 accounts across our entire sector were frozen speaks to the fact that this was obviously very targeted. The freezing of accounts is a very serious matter that our members take very seriously. It was intended to be targeted by the government and by our members.

[*Translation*]

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

I'm out of time, Mr. Chair.

[*English*]

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

We're moving to the NDP and MP Blaikie. You will be our last committee member to ask questions in this session.

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

I'd like to go back to Ms. Wilford.

I'm curious. Coming out of this experience we have lived here in Canada and the use of the Emergencies Act, have you identified any shortcomings in the Canadian regulatory framework, at least from your perspective? Are there any recommendations that you would have for us to consider as a committee, or recommendations that you think we should consider making to the government concerning your industry?

This is particularly when issues like the kind we saw—national security issues and others—come to light and the government develops concerns. Are there any regulations or directions that you think we should consider recommending to the government?

• (1600)

**Mr. Juan Benitez:** Thank you.

I'll start with that question.

Mr. Chair, at GoFundMe we're experts in social fundraising. We are not public policy experts. We would welcome the opportunity to contribute our expertise about what we observe on our platform, our policies and our procedures and how we police our platform and regulate it, as we talked about today, and on how that can influence the regulation. We believe that would be a collaborative discussion, given that we would need to work more closely with all of you, who are the public policy experts.

**Mr. Daniel Blaikie:** Are there no concerns for you coming out of Canadians' experience and how it happened?

**Mr. Juan Benitez:** Certainly we are continually evolving our platform, our policies, our tools and our procedures. I believe we improve month by month—and we need to because the use of platforms and the Internet and collaboration, and, frankly, the crises in the world that cause people to look to assist communities and to help others via GoFundMe are always evolving and changing.

In this case, we look back at the timeline of the events, the complexity of the fundraiser, the rapid evolution of the fundraiser organizer and the people involved, and we feel comfortable about our actions. We believe that our proactive engagement with local law enforcement was appropriate. With our termination of the fundraiser 10 or 11 days before the Emergencies Act was invoked, we feel comfortable with our actions in all of that. We believe that our policies and procedures stood this test, and we'll continue to evolve and improve them over time.

**Mr. Daniel Blaikie:** And you have no concern about competing with other actors in this space who don't share the same standards?

**Ms. Kim Wilford:** I would just say that as the most recognized platform, we're the most responsible one. We operate within the law and, in many cases, above the law. We hope that's one reason among many that we stand out and that people around the world use us to come together and help each other.

As my colleague said, as you look to figure out ways to address what occurred, we would welcome the opportunity to collaborate with you and discuss different sorts of regulations or controls that can be put in place to ensure that we continue to provide the safest and most secure environment for our users and everyone who wants to come together to help each other in the world.

We want to make sure that we don't thwart the good that happens. I think that's been recognized just in the outpouring of support we see for Ukraine. We saw it for Afghanistan. We see it for climate disasters that occur all over the world. Online fundraising is actually a really beautiful thing, and there is a ton of a regulations already in place to protect the users. Certainly if the government and this committee wished to have further collaboration, we would welcome that opportunity.

**Mr. Daniel Blaikie:** Thank you very much for your testimony.

**The Chair:** Thank you for that.

Thank you, MP Blaikie.

On behalf of all the members of the committee, the clerk, the interpreters and the staff, we want to thank our excellent witnesses.

Thank you for your remarks, your testimony and your answers to our many questions to help inform our Emergencies Act study.

Thank you, everyone, also for joining us here on St. Patrick's Day and Flavio Volpe's birthday.

**Mr. Flavio Volpe:** Thank you.

**Ms. Martha Durdin:** Thank you, Mr. Chair.

**Mr. Michael Hatch:** Thank you.

**Mr. Philip Lawrence:** Happy birthday!

**Ms. Kim Wilford:** Thank you, everyone, and happy birthday!

**The Chair:** Members, I will now suspend to go into the in camera portion of the meeting. Members will need to leave this Zoom meeting and join the second Zoom meeting with a different link. Both links can be found on the email the clerk sent earlier today.

I'm looking to see if there are any questions from members before we suspend and move to our in camera session.

No?

Okay.

I will see you on the other side.

*[Proceedings continue in camera]*

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