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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





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• (1535)

[*Translation*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** Good afternoon, everyone.

Welcome to meeting number 133 of the House of Commons Standing Committee on Industry and Technology.

It's good to see you again after the summer break. I hope you all had a great summer and are feeling refreshed and ready to get back to the important work of this committee.

To begin, I invite participants to review the instructions on the use of the earpieces to ensure that everyone's health and safety, particularly the health and safety of the interpreters, is respected and that acoustic incidents are avoided.

[*English*]

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, November 7, 2023, as well as the motion adopted on Wednesday, July 31, 2024, the committee is meeting today to resume its study on the recent investigation and reports on SDTC.

[*Translation*]

I would like to welcome the witnesses who will be with us in the first hour of the meeting. From the Office of the Conflict of Interest and Ethics Commissioner, we have Konrad von Finckenstein, Conflict of Interest and Ethics Commissioner, accompanied by Michael Aquilino, legal counsel. Thank you for being here.

Without further ado, I give the floor to Mr. von Finckenstein.

You have the floor for five minutes, sir.

**Mr. Konrad von Finckenstein (Commissioner, Office of the Conflict of Interest and Ethics Commissioner):** Thank you, Mr. Chair.

I would like to thank the committee for inviting me to testify today.

With me is Michael Aquilino, legal counsel at the Office of the Commissioner.

As Conflict of Interest and Ethics Commissioner, my role is to help elected and appointed public officials manage conflicts of interest, as well as investigate possible violations.

We administer the Conflict of Interest Act for appointed officials, such as ministers, their staff, heads of Crown corporations, deputy

ministers and members of various boards and tribunals. We also administer the Conflict of Interest Code for members of the House of Commons.

[*English*]

Our work has two main purposes. One is to help elected and appointed officials recognize and manage their conflicts of interest. The second is to facilitate the movement of qualified people into and out of the public service without issue.

The committee invited me to discuss the Verschuren report that the office issued in July 2024. In fact, we conducted two investigations of two officials with Sustainable Development Technology Canada at the request of MP Michael Barrett. One was Annette Verschuren, former chairperson of SDTC. The other was Guy Ouimet, former director of SDTC.

[*Translation*]

Ms. Verschuren and Mr. Ouimet came under the act as public office holders without reporting obligations. They were covered under the general conflict of interest rules, but they were not required to share with our office the kind of information that you see summarized in our public registry.

[*English*]

On appointment, the office assigns each reporting public office holder an adviser who can focus on their individual needs. This opens an ongoing dialogue that lasts for their time in office. In contrast, public office holders like Ms. Verschuren and Mr. Ouimet are not assigned advisers. However, they can always contact the office if they need our advice.

In my report, I found that Ms. Verschuren failed to comply with two sections of the act: subsection 6(1) on decision-making and section 21 on the duty to recuse.

[*Translation*]

Ms. Verschuren had declared a potential conflict of interest to the board of directors of SDTC with respect to companies named by two organizations with which she had close ties. She abstained from voting on a number of decisions that benefited the companies, but in none of those cases did she recuse herself, even though that is what the act required.

• (1540)

[English]

There is a difference between abstaining and recusing, and it is not always well understood. Recusal is more than simply staying silent during a discussion or refraining from voting; it means stepping away entirely, so that your mere presence does not influence another participant. To put it another way, “Get out of the room.” To reinforce this, last week our office issued an updated information notice on recusals.

Ms. Verschuren also contravened the act when she participated in two decisions to give COVID-19 emergency relief payments to all companies funded by SDTC, including one in which she had a private interest. In so doing, she followed incorrect legal advice that there was no need to address her conflict of interest, because all companies would be given equal treatment.

I found no evidence that Ms. Verschuren used her position as chair of SDTC to try to influence other board members in those two decisions when she moved motions for the payments. This, after all, was part of her role as chair.

In the other SDTC investigation report, I dismissed allegations that Mr. Ouimet had contravened the act by participating in the decision to give COVID-19 emergency relief payments to funded companies, including one in which he had a private interest.

[Translation]

I found that his interest was so negligible that it did not constitute a conflict of interest. Therefore, I applied the principle of *De minimis non curat praetor*.

[English]

On that note, I'm happy to answer your questions.

**The Chair:** Thank you very much, Commissioner.

To start the discussion, I will yield the floor to MP Perkins for six minutes.

**Mr. Rick Perkins (South Shore—St. Margarets, CPC):** Thank you.

Welcome back, Commissioner.

I would like to talk a bit about the Auditor General's report, which you said you reviewed as part of this.

The Auditor General found that Ms. Verschuren not only held the conflicts of interest you referred to in your opening statement but also mismanaged and had a conflict of interest in a number of other transactions.

Does your report cover Ms. Verschuren in her mishandling of conflict when she granted Universal Matter Inc. a payment of \$225,000 on March 9, 2021?

**Mr. Konrad von Finckenstein:** First of all, mismanagement is not part of my—

**Mr. Rick Perkins:** It's conflict of interest.

**Mr. Konrad von Finckenstein:** —remit. I'm looking only at conflict of interest.

We actually looked at every single decision that Ms. Verschuren took. My colleague Michael can give you details.

**Mr. Michael Aquilino (Legal Counsel, Office of the Conflict of Interest and Ethics Commissioner):** Beginning at paragraph 61 of the report and going all the way to paragraph 74, we lumped together all of the different instances of votes or decisions that were taken. In certain instances, Ms. Verschuren declared conflicts of interest but abstained instead of recusing. In other instances, she declared conflicts but voted outright. In others, she failed to declare a conflict and voted. There were also the COVID relief payments, where she relied on internal advice.

**Mr. Rick Perkins:** She didn't breach the act twice, as your report said. Based on that, she breached it multiple times.

Can you tell me how many times she breached it?

**Mr. Michael Aquilino:** In total, there were 24 instances.

**Mr. Rick Perkins:** As chair, she breached the Conflict of Interest Act 24 times.

**Mr. Michael Aquilino:** Yes.

**Mr. Rick Perkins:** Your report deals with just NRStor, MaRS and the vanity Verschuren Centre she set up, and their roles. That's in there.

When you looked at that, did you look at any other Governor in Council appointments, beyond Mr. Ouimet's? I have some questions about Mr. Ouimet in your report, but did you look at any of the other GICs? The Auditor General also named a considerable number of other GIC appointments who had conflicts of interest.

**Mr. Konrad von Finckenstein:** We start an investigation when we have reason to believe there are grounds for an investigation or when we're being asked for it. In this case, we were specifically asked by Mr. Barrett to look at Ms. Verschuren and Mr. Ouimet, and we did so.

**Mr. Rick Perkins:** Do you not have the power to investigate anyone you like? You don't have to wait for a parliamentarian to ask. When you are made aware of conflicts of interest in your mandate, can you not go at that? When you saw that the Auditor General named other Governor in Council appointments, why didn't you expand your report?

In 82% of the transactions the Auditor General looked at, she found directors were in a conflict of interest. That's not a mistake of legal advice; that's a culture of conflict of interest.

**Mr. Konrad von Finckenstein:** You forget. I can, as you're quite right to think, self-initiate, but I have to initiate it if I have reasonable grounds to do so. The Auditor General's report came after we issued the report, or just shortly before we issued it.

Was it before or after? Who came first?

• (1545)

**Mr. Michael Aquilino:** The Auditor General's report came first.

**Mr. Konrad von Finckenstein:** We came about a month afterward.

**Mr. Rick Perkins:** Are you going to initiate on your own, now that you're aware of way more instances of conflict of interest?

**Mr. Konrad von Finckenstein:** What purpose would it serve? My job is to—

**Mr. Rick Perkins:** Well, I'll tell you, since you asked me the question.

**Mr. Konrad von Finckenstein:** Let me finish my answer.

What can I do? I can expose. That's all I can do. I can't fine and I can't fire.

**Mr. Rick Perkins:** Well, let's expose it.

With respect, Mr. Commissioner, it's your job to expose the conflicts of interest the Auditor General found 82% of the time. You dismissed Mr. Ouimet and said it was “de minimis”. It is inappropriate for somebody who is a public office holder to personally benefit. In the case you outlined, they personally benefited because that grant from the board he was on, which he voted for, benefited that company. Not only did Mr. Ouimet do that; he also had numerous other conflicts of interest exposed by the Auditor General.

I ask again: Since your report doesn't deal with the Governors in Council appointments overall and the culture of conflict of interest, will you take a look at all those other instances, including Mr. Ouimet?

**Mr. Konrad von Finckenstein:** As I answered you before, what purpose would it serve? All of these persons—

**Mr. Rick Perkins:** For what purpose do you have a job if you're saying you don't have any responsibility whatsoever to look at conflicts of interest? Isn't that what you do? You expose them and let the public and parliamentarians decide what should happen, since there are no sanctions.

Why is it you dismissed Mr. Guy Ouimet when he had Lithion, Nouveau Monde and Swirltex and all of these conflicts when he voted millions and millions of dollars to companies he had investments in?

Your report is inadequate and you should initiate conflict of interest investigations when Governor in Council appointments have been abusing their positions 82% of the time.

**Mr. Konrad von Finckenstein:** Let's start at the beginning. My job there is to expose conflicts of interest. If I find them and I expose them, then the person has to answer to the public, to the Prime Minister or to the Speaker of the House, as the case may be.

Basically, my job is done in exposing it. I can't fine. I can't—

**Mr. Rick Perkins:** Yes, that's true, but you're not exposing them.

**Mr. Konrad von Finckenstein:** Wait just a second. They have to be in office. When they are no longer in office, what good does it serve to expose them?

**Mr. Rick Perkins:** So is it your excuse that a conflict of interest is okay and you don't have to look at abuse of taxpayer dollars as long as that person is no longer in office?

**Mr. Konrad von Finckenstein:** Abuse of taxpayer dollars is the Auditor General's job, not mine. My job is conflict of interest, pure and simple, and there is no conflict if you're no longer in office. You do not have a conflict anymore.

**Mr. Rick Perkins:** Therefore if I commit a conflict of interest while in office and I don't get caught, it's no longer a conflict of interest?

**Mr. Konrad von Finckenstein:** Of course it was a conflict of interest. If I wanted to, I could do it when you are out of office. I'd start an investigation and I would say, “While you were in office, you had a conflict of interest.” End of story.

**The Chair:** Thank you very much, Commissioner.

I'll now yield the floor to MP Van Bynen.

**Mr. Tony Van Bynen (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

You appeared over the summer at the public accounts committee on the topic of the AG's report on SDTC. I'd like to ask you some questions about some of your testimony.

For clarity, you found that Ms. Verschuren was in breach of the act, given that she failed to recuse herself while participating in decisions in which a conflict of interest existed. Is that correct? That is the crux of the issue, is it not?

**Mr. Konrad von Finckenstein:** Yes. The act calls for recusing. It does not have a provision for abstaining at all.

However, in a couple of cases, she declared her conflict, and then there was what they call—what do you call it?—the non-controversial motion at the beginning, the content agenda. She voted on those. She had already declared that she couldn't. She should have abstained. She should have actually left the room. The moment she said “conflict of interest”, she should have left the room and not participated. That's what the act demands. She didn't. She abstained.

She first said, “I haven't,” and then she actually voted in some cases. In other cases, she didn't. What she should have done was leave the room.

With the emergency, it was the same thing. She was told on wrongful legal advice, “There is no conflict here,” so she voted.

**Mr. Tony Van Bynen:** Thank you.

By failing to recuse herself, she also breached the SDTC's own conflict of interest policy. Is that correct?

**Mr. Konrad von Finckenstein:** Correct.

**Mr. Tony Van Bynen:** Okay. Is there any record of her ever leaving the room on any of those votes?

• (1550)

**Mr. Konrad von Finckenstein:** No.

**Mr. Tony Van Bynen:** I had heard in an earlier conversation that individuals had claimed to have left the room, but it wasn't reflected in the minutes.

Is there an obligation on whoever was the chair or the secretary for that meeting to reflect who was in the room and who wasn't in the room?

**Mr. Konrad von Finckenstein:** Michael, why don't you answer that?

**Mr. Michael Aquilino:** The minutes reflected that in certain cases, individuals had left the room and in certain cases they had not.

One of the objectives of our examination was to determine whether or not they had in fact left the room. In certain cases there was a discrepancy between the minutes and what we had heard from witnesses, but in most cases the minutes were consistent with what had happened.

**Mr. Tony Van Bynen:** Okay, good.

I'm sure there are people in this room here who believe that you, Commissioner, as an appointee of the Prime Minister, failed in your job by not sufficiently keeping an eye on Ms. Verschuren throughout her appointment. How do you respond to that?

**Mr. Konrad von Finckenstein:** First of all, she was a public office holder; she was not a reporting public office holder. She has to comply with the act, but it is not as it is for a reporting public office holder, who, when appointed, has to fill out a long, detailed questionnaire, and then we go through it with them and see whether there are conflicts that they have to understand. Then there's an ongoing dialogue between that person and us, and each year, at the end of the year, we review everything and make sure that things are good.

A public office holder like Madam Verschuren has only an obligation to comply with our act and to comply with the internal regulations, in this case SDTC regulations, but there's no ongoing dialogue. She comes to us if she wants to. Otherwise, we don't monitor. We have nothing to do with her. The act is there, and it's up to her to comply with it.

**Mr. Tony Van Bynen:** It's the integrity of the individual—

**Mr. Konrad von Finckenstein:** That's it. That's correct.

**Mr. Tony Van Bynen:** —that's the driving issue.

Okay, thank you.

Those are all my questions, Mr. Chair.

[Translation]

**The Chair:** Thank you.

I now give the floor to Mr. Garon for six minutes.

**Mr. Jean-Denis Garon (Mirabel, BQ):** Thank you, Mr. Chair.

Good morning to the witnesses and to the commissioner. Thank you for being here.

I think the work we do on this committee, regardless of our partisan affiliation, is important. I take it seriously, and all parliamentar-

ians here seem to take it seriously. What saddens and infuriates me is hearing from witnesses who do not take our work seriously. I'm not talking about you, if that makes you feel better.

I read your report and I heard your testimony. I would now like to quote verbatim two things that Ms. Verschuren said here in this committee, where witnesses are supposed to tell the truth:

In all the cases when I declared a perceived conflict, I removed myself from the board meeting and came back in after the decision had been made and recommendations had been made to the board. This would happen with all board members.

She went on to say:

When the recommendations were made on behalf of the board to proceed with those projects, the board members...In my case, I would leave the room and wait until I was called back, but the recommendation would have been made. I wouldn't know the result...

You see what I'm getting at.

When I look back at the testimony that was given here by this person, and I read your report and hear your testimony, I conclude that someone lied to the committee.

Was it you or Ms. Verschuren?

**Mr. Konrad von Finckenstein:** We only have two sources of evidence: Ms. Verschuren's testimony and the minutes of each meeting. Mr. Aquilino has reviewed every report that we have received. As he said, in a few cases, someone recused themselves, but in the majority of situations, that was not the case. I don't know if Ms. Verschuren's memory failed her, but from what she told us and from what we found in the minutes of the meetings, it is clear that she was in the room at the time decisions were made, particularly those concerning COVID-19 relief. She did not recuse herself.

Mr. Aquilino, do you want to add anything?

**Mr. Michael Aquilino:** Yes.

Without necessarily coming to Ms. Verschuren's rescue, I will say that the Commissioner's report found that in most cases involving start-up funding, she did recuse herself—

• (1555)

**Mr. Jean-Denis Garon:** I'm going to interrupt you, if I may. You know the value of time in a committee like this.

In your report, you establish that there were 24 violations of the Conflict of Interest Act. Ms. Verschuren came to testify before the committee and, in her mind, there had been no violation of the act. Sometimes you have a memory lapse and don't remember certain things. However, don't you think that 24 times is a bit much in parliamentary committees, where we have an obligation to tell the truth?

I'm asking you for your opinion on the standards involved. Is it possible to make such a mistake 24 times before a parliamentary committee?

**Mr. Konrad von Finckenstein:** You'll have a chance to ask Ms. Verschuren that question—

**Mr. Jean-Denis Garon:** You can be sure of that.

**Mr. Konrad von Finckenstein:** I can only tell you what we've done. We interviewed her and we looked at the documents.

**Mr. Jean-Denis Garon:** Thank you.

I would like to come back to the department's role. The current minister and the previous minister have said that this was federal funding and that the organization was not managed directly by the department. They only appoint half of the board of directors and are therefore not responsible for the other appointments. As soon as they found out something was going on through the Auditor General, they did the right thing, froze the funds and so on.

However, it seems to me that, under the Conflict of Interest Act, the previous minister and therefore the current government could have triggered audits, made verifications and ensured that public money was managed in full compliance with the act.

Don't you think that these government investigations, whether by the Auditor General or you—this is not a criticism of you—and especially by the department, came a little late? Don't you also think there was a deficiency on the part of the Department of Industry itself, which should have done some of these checks at some point?

That leads me to ask an even simpler question: Could this all be smoke without fire?

**Mr. Konrad von Finckenstein:** You're asking me to pass judgment on the activities of the department and the minister. That's not part of my mandate. These are political measures. You are the judge, and the voters are the judge.

**Mr. Jean-Denis Garon:** I will rephrase my question.

You produced this report because of the Auditor General's work. That's what happened. At one point, assessments were done.

Do you think the department could have done some of these verifications in advance so that you could have done your job earlier and perhaps prevented misappropriation and mismanagement of public funds?

**Mr. Konrad von Finckenstein:** It depends. It started when the Canada Foundation for Sustainable Development Technology, or SDTC, was established. People were appointed, and it was decided not to appoint them as reporting public office holders. They wanted people who had expertise. For that reason, it was decided not to appoint them as reporting public office holders, but only as public office holders. That means they have no contact with us and no obligation to show us their financial situation. That was a decision made by the government. It could establish more specific monitoring, but that was not the decision made. Why is that? I have no idea. I'm not involved in the appointments. Only when someone is appointed do I have to judge them according to the rules.

**Mr. Jean-Denis Garon:** Thank you, Mr. von Finckenstein.

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

Mr. Masse, you have the floor for six minutes.

[English]

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Mr. Chair.

The first thing I want to go to is that on November 17, 2023, a news report revealed that you were investigating Ms. Verschuren's conflict of interest. On November 20, she resigned.

When did you officially begin your investigation into Ms. Verschuren?

**Mr. Michael Aquilino:** We received the complaint on November 10 and we wrote on November 16 to launch the investigation.

**Mr. Brian Masse:** Would Ms. Verschuren have known about that? Was she notified that she was subject to an investigation?

• (1600)

**Mr. Konrad von Finckenstein:** The process is that we write to her and we say we're starting the investigation. We point out that we want to interview her and hear the issues and we say what we want to discuss with her.

**Mr. Brian Masse:** That would have been done shortly after November 10 or November 16.

Basically, she gets the letter and then she resigns. Does it happen often that you write to somebody and say, "We're going to investigate you," and then within a matter of hours, they resign from their position?

**Mr. Konrad von Finckenstein:** I've only been in the position for one year, so I can't tell you. Maybe my colleague has a better memory.

**Mr. Michael Aquilino:** To my knowledge, I don't think it has happened in the past, but I don't know what would have precipitated a resignation in this case either.

**Mr. Brian Masse:** No, and I'm not asking for that.

I haven't seen such a rapid response to something like that in my past. I could be wrong. We could easily go and find out, I guess, if we looked at the detailed information of other cases.

One of the things I'm concerned about is that she declined... Let's go through the things she did. She declined the conflict advice. She didn't leave the room. There was a whole series of different things.

With all those things in the SDTC boardroom at that point in time, were there any consequences for her or for her colleagues who knowingly saw this behaviour and said nothing? Are there any actual consequences for those board members and/or her for failing to report that or point it out?

There can be wilful consent by people just not saying anything. I've been in lots of rooms where people know other people have said things, done things or acted the wrong way, and people have just let it pass and go by. It could be over an issue of sexism, racism or inappropriate behaviour. It could be, in this case, about voting.

What were the consequences for the board members with the system that was set up in place?

**Mr. Konrad von Finckenstein:** The way the system works is that, in effect, when there is a violation and we are made aware of it or we investigate on our own, we can expose it and make it public. That is the penalty. It is that your reputation essentially is damaged by the report that shows that you have done that.

In terms of the interaction among the board, etc., all we have is a record of what happened and the testimony of the people we interviewed, so I can't answer your question. I don't know whether there was wilful looking away, as you suggest, or benign ignorance or what.

**Mr. Brian Masse:** This is where some of the concern for accountability that I've had about this file is, because this was set up over 20 years ago, and it's lived through a number of ministers who have left here in disgrace, including Minister Bernier, Mr. Clement and others. We still have a system in place that potentially allows for this type of conduct and behaviour consistently, and there's an opening there.

I think I would agree that we would still want to shed light on the truth. To answer the question from Mr. Perkins, the reason I believe it needs to be followed through is that otherwise, how do we show the public the actual full damage of the malfeasance, often on purpose, from these corporate boards and agencies that are set up at arm's-length distance?

As well, I want to point out that the staff are fully funded by federal taxpayers, but they didn't enjoy the same privileges of protection for whistle-blowers or the benefits of a union and so forth in the workplace.

How can we dispense with everything that happened when we don't know the full damage that took place as a result of the actions of this board?

**Mr. Konrad von Finckenstein:** When you say "the full damage", to the extent there was damage, you have the report of the Auditor General. If I investigated these people, all I could prove is that they had—assuming you're correct—on various occasions violated the Conflict of Interest Act. What would that add in terms of what the public knows right now? The report is out. It's a very damaging report. The whole board resigned. As you know, it's been moved to the NRC. There have been consequences.

I don't feel there would be anything added by my going over past activities of people who have resigned, who are no longer in those positions, and saying, "While you had that position, you misused it."

**Mr. Brian Masse:** From my perspective and from lay people's perspective, there is more here than just the exposure of an individual and her behaviour, and then the others who were around her. Obviously you've ruled on that, but it's maybe a structural problem with some of these boards and operations.

I think a full, continued, thorough examination of this situation should expose some of that, because I'm willing to bet that this isn't the only situation in which we'd see malfeasance, irregularities and boardroom minutes that aren't completed or not reflective of what happens with taxpayers' money. I would prefer to see this finished for those reasons, Mr. Chair.

• (1605)

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

I will now yield the floor to MP Barrett for five minutes.

**Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC):** Commissioner and Mr. Aquilino, it's good to see you.

I have a hypothetical question for you. If a designated public office holder like a minister had a financial interest in a company like Telesat, which received a loan of more than \$2 billion from the government just days ago, would that minister have needed to recuse themselves? What would that look like for that minister with that interest in Telesat?

**Mr. Konrad von Finckenstein:** You're asking me, as you have before, a theoretical question. I can clearly answer a factual question. For a theoretical one, you have to give me far more detailed facts before I can give an answer.

You speak about a grant to Telesat. That was by whom? Was it by cabinet decision? On what basis and on what authority was it done? Who was the minister, etc.?

**Mr. Michael Barrett:** Just this past week, Justin Trudeau announced that Mark "carbon tax" Carney is going to be advising him on all matters of finance. Days afterward, a company that Mr. Carney has a financial interest in received \$2.14 billion, according to an announcement by the Prime Minister.

Mr. Carney has been hired by the Liberal Party, it appears, to avoid the scrutiny of the Conflict of Interest Act.

Does this present a skirting of the...? It clearly presents as a problem to Canadians. Is Mr. Carney a ministerial adviser by the definition set out in the act?

**Mr. Konrad von Finckenstein:** No, because he is advising the Liberal Party. What the Liberal Party does or does not do is not government action. The government may adopt the advice that was given by Mr. Carney, but in effect they're adopting the advice of the Liberal Party, who got it from Mr. Carney. In the way they structured it, right now he is not a ministerial adviser.

**Mr. Michael Barrett:** It's an appropriate practice, then, for the government to provide non-public information to employees of the party when those employees have serious financial positions in companies that could stand to benefit from that information?

**Mr. Konrad von Finckenstein:** Well, the party gathers information from all sorts of sources, etc. They can pay for it. They can get it for free, etc. They then use that information in order to position themselves and decide on their policy. That is a perfectly normal procedure. There is nothing of conflict of interest here.

**Mr. Michael Barrett:** There's no conflict if Mr. Carney receives non-public information from the Department of Finance and then uses that to provide advice to the government, because he's employed by the party and not paid by taxpayers, although the advice that he provides could materially benefit him and his other—



**Mr. Konrad von Finckenstein:** Your supposition is that he receives non-public insider information from the Department of Finance.

**Mr. Ryan Turnbull (Whitby, Lib.):** On a point of order, Chair—

**Mr. Konrad von Finckenstein:** That's just a supposition you made. I have no proof of that. If that is proven to be the case, it would be a different situation—

**The Chair:** Excuse me, Commissioner. We have a point of order.

**Mr. Ryan Turnbull:** I'm sorry to interrupt, Commissioner.

I just find it a little bit troubling that Mr. Barrett hasn't asked a single question about SDTC. He's using hypotheticals to ask the witness a question, which is great, but it's not what we're here to study. My understanding is....

I know he supports world-dominating billionaires rather than Canadian companies, but that's not the axe that he should be grinding today. It's SDTC.

**Mr. Michael Barrett:** Is that seriously a point of order?

**Mr. Ryan Turnbull:** It's relevance.

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

I accept your point of order, in that we had a Standing Order 106(4) meeting to call for this three-hour special meeting to discuss the commissioner's report on SDTC.

I'd ask you, Mr. Barrett, although I am generous in terms of the questions, to try to be relevant to the topic. You had a whole lot of resources deployed this summer to bring this meeting forward specifically about this topic. Please keep those rules in mind.

You know the rules of relevance, and I'll yield the floor back to you. You have a minute and a half.

• (1610)

**Mr. Michael Barrett:** I agree that Mr. Turnbull is quite troubled, Chair, as he stated.

When we're talking about conflicts of interest like Ms. Verschuren's—you can check the box there, Ryan—Randy Boissonnault's company, Global Health Imports, was given \$30,000 on December 30, 2023. Minister Boissonnault was a 50% partner in that company. Were you aware of that?

**Mr. Konrad von Finckenstein:** Sorry—when was it given?

**Mr. Ryan Turnbull:** I have a point of order.

**The Chair:** Go ahead, Mr. Turnbull.

**Mr. Ryan Turnbull:** I thought the topic for this meeting was SDTC. Is the witness answering questions on any topic that Mr. Barrett chooses, or—

**Mr. Michael Barrett:** I'll bring it back. That was 15 seconds.

**Mr. Ryan Turnbull:** —is this an actual focused discussion?

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

Yes, I agree with that point of order.

Mr. Barrett, keep it on the topic of the meeting, please.

Thank you.

**Mr. Michael Barrett:** It was December 30.

**Mr. Konrad von Finckenstein:** That was a company.... You're talking about the contract from Elections Canada?

**Mr. Michael Barrett:** Yes, sir.

**Mr. Konrad von Finckenstein:** It was a company in which he was an owner at that point. He is no longer an owner of that. As just an owner in a company, he had no involvement in the operation of the company.

We have looked, as you know, at his involvement—

**Mr. Michael Barrett:** Were you aware at the time that this had occurred?

**Mr. Konrad von Finckenstein:** No. It came out.... I read it in the press, like you. Elections Canada was buying, I think, masks or gloves or something like that for \$30,000, through a—

**Mr. Michael Barrett:** Is it not a violation of subsection 13(2) of the act?

**Mr. Konrad von Finckenstein:** How is it a violation? He's not running a company. Can he not...? You can—

**Mr. Michael Barrett:** It says they can't "have an interest in a partnership or private corporation that is a party to a contract with a public sector entity".

**The Chair:** Thank you, Mr. Barrett. That's all the time you had.

I would now yield the floor to MP Turnbull for five minutes.

**Mr. Ryan Turnbull:** Thanks, Chair.

Getting back to SDTC, Commissioner, what is the effective difference between abstention and recusal? I'm kind of interested in this.

Did Ms. Verschuren actually influence the decision-making of the board when they were approving funding decisions for her benefit? To me, that would be a serious violation. Did you see any evidence of that?

**Mr. Konrad von Finckenstein:** First of all, the distinction between.... The idea is that while you are in the room, people may not always speak openly about the pros and cons of a motion or may not want to vote and therefore incur your disfavour. Therefore, when you have a conflict, the idea is to get out of the room. If it's virtual, get off the web so that you cannot participate and the people can freely vote. That's what the act establishes.

Here, there were a couple of times when she voted after abstaining. She still voted. Did she benefit from it? No, we don't have any evidence of that. I would call it more of a technical violation. She was supposed to recuse, but she didn't; she abstained.

I made it quite clear in the report that it was a contravention of the act. It was no more than that.

**Mr. Ryan Turnbull:** It wasn't intentionally manipulating or influencing the board for her own personal benefit. I think that's what the Conservatives keep claiming. I want to get from you your perspective on whether that's what the evidence actually suggests in this case.

**Mr. Konrad von Finckenstein:** No, it did not suggest that.

**Mr. Ryan Turnbull:** Thank you.

Let me ask you another question.

During your appearance at the public accounts committee, one of my colleagues filled you in on a recent letter from the RCMP commissioner to the House clerk on a Conservative House motion that was adopted on June 10, 2024. With this letter, the RCMP commissioner sounded the alarm, saying that the House order is interfering in operational and police independence.

Let me read this quote from this letter—

**Mr. Michael Barrett:** I have a point of order, Chair.

**The Chair:** Hold on for one second, MP Turnbull. I have a point of order from Mr. Barrett.

**Mr. Michael Barrett:** I appreciate that in your previous ruling you provided a very narrow scope on what we're to engage in with respect to exactly what was in the Standing Order 106(4) meeting and the motion that was adopted.

We don't need to look very far to see that Mr. Turnbull is going to go down a path that's not consistent with that. We'd look to you to apply the same ruling to what we're particularly here to discuss.

• (1615)

**The Chair:** You have powers I don't have, Mr. Barrett. You can read the future, saying Mr. Turnbull will go down that path. I'm not entirely sure he will.

Also, you misread my ruling. I've told you I'm pretty generous in the leeway. You're new to this committee, but members around the table know—I'm looking around the table—that I'm pretty generous in how I interpret questions and with the leeway I give members to ask questions that sometimes deviate from the motion.

Considering that under Standing Order 106(4), members came back in the middle of the summer to discuss this specific issue, I'll still ask members to try to focus on SDTC, which is the reason we're here.

I've been very generous with your line of questioning, Mr. Barrett, as you will have noticed. I'll ask Mr. Turnbull to keep in mind the judgment I just made a couple of minutes ago.

**Mr. Ryan Turnbull:** Thank you, Chair. I will.

This letter particularly pertains to SDTC. It refers to the Auditor General's report and it's from the RCMP commissioner, Mike Duheme.

I want to quote from this letter. He says, "There is significant risk that the Motion"—i.e., the Conservative motion—"could be interpreted as a circumvention of normal investigative processes and Charter protections."

He goes on to say in the last paragraph:

I would like to emphasize as well that the RCMP is operationally independent and strictly adheres to the principle of police independence. In a free and democratic society, this ensures that the government cannot direct or influence the actions of law enforcement and that law enforcement decisions remain based on the information and evidence available to police.

I wanted to get your perspective on this, but I will also reference that the Auditor General has sent a similar letter with a similar reaction. The concern is that agents of Parliament—in this case the Conservatives, in their motion—are essentially eroding the independence of key officers of Parliament and independent institutions.

Mr. von Finckenstein, I would like to get your perspective on this.

**Mr. Konrad von Finckenstein:** The commissioner of the RCMP, of course, is very concerned about making sure that any evidence he presents can be used in court and won't be thrown out for whatever reason—principally that there's a violation of the charter or that it was not obtained properly, etc.

On the other hand, of course, you have the principle of Parliament. Parliament is supreme and can look into things if it wants to.

What I think he's pointing out in this letter is that what the committee has asked for could potentially cause problems down the line. He wants to, in effect, alert you to it.

He's quite right. These are two difficult principles to reconcile. They can be reconciled, but you have to be very careful. He wants to make sure that nothing impeaches his duties as independent law enforcement. On the other hand, of course, he's very careful in not wanting to tread upon your privilege as a parliamentary committee to ask for whatever you want. If both parties are aware of the problem and act carefully, these actions can be reconciled.

**Mr. Ryan Turnbull:** Are there other scholars—

**The Chair:** I'm sorry, Mr. Turnbull; that's all the time you have on your five-minute round.

I'll now turn it over to Mr. Garon.

[*Translation*]

Mr. Garon, you have the floor for two and a half minutes.

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

Commissioner, I know that your role is to look at the entire situation and determine whether there have been violations of the Conflict of Interest Act. I understand that role very well, but this is a more complex situation. The government, as it has done on a number of occasions, particularly in the case of SDTC, creates these kinds of companies or businesses without appointing the entire board of directors. As you said, it's a government decision. The people who run these businesses are not public office holders. According to your mandate, you should systematically investigate them, as is done for members of Parliament, ministers and so on.

That said, I would like to know your opinion on the following. In your opinion, did Innovation, Science and Economic Development Canada, ISED, or the Minister of Innovation, Science and Industry have the means within the department to prevent these practices before we heard about them from whistle-blowers?

**Mr. Konrad von Finckenstein:** Naturally, the minister can ask what he wants of a company that is accountable to him, he can conduct an audit, and so on. It's in his hands. I don't know if he conducted any audits or, if he did, why. The fact remains that, since he basically owns that company, he can tell it to do whatever he wants.

• (1620)

**Mr. Jean-Denis Garon:** Again, it comes down to the integrity of the work we do as parliamentarians. When we had the former minister here at committee and I asked him that same question, his answer was succinct and very clear. He said he had no tools at his disposal that would have enabled him to prevent this situation.

So, in your opinion, that is a lie.

**Mr. Konrad von Finckenstein:** The government is a shareholder in that company. Managing those activities is primarily the government's responsibility.

I'm not familiar with the testimony you're referring to, but my understanding is that he did do audits.

**Mr. Jean-Denis Garon:** He lied.

Mr. Chair, do I have time for a quick question?

**The Chair:** Yes.

**Mr. Jean-Denis Garon:** Can you tell me if my understanding of the difference between abstaining and recusing oneself is correct?

Sometimes, even if I don't vote, I may influence how other board members vote if I stay in the room. Therein lies the conflict of interest. Is my understanding correct?

**Mr. Konrad von Finckenstein:** Yes.

**Mr. Jean-Denis Garon:** Thank you.

**The Chair:** Thank you.

Mr. Masse, you have the floor.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I'm trying to understand a little bit about the responsibility and the culture of the board. I'm not very familiar with some of the corporate boards and structures. I'm a New Democrat, and we don't get appointed to those positions, so we have to live with the folklore that we hear.

I'm having a hard time wrapping my head around the ability for people to be excused from knowing what should be there. In your opinion, would it be a basic thing for all the board members to understand in terms of the rules and obligations about absenteeism, or were they all abusing this? Did some do it, or was it a mixture, a dog's breakfast, so to speak, of behaviour?

I find that hard to accept, because a lot of times these are political appointees, and you would think that there would be some type

of understanding and appreciation of public responsibility at the end of the day.

Can you walk me through what happened in the boardroom? What do you think happened there, and do you think those individuals abstained from their job of conscientiously overseeing taxpayers' dollars?

**Mr. Konrad von Finckenstein:** I can't tell you what happened in the boardroom. I can just say that as it is, it's a company. It has its own code of conduct and conflict of interest rule—a very good one—which, by the way, incorporates the act and says that they have to comply with it. There is a corporate secretary who informs all the members when they're appointed that there's a code of conflict that they have to comply with, and please sign, etc. If they want to, they can ask us to give a presentation on the act, and we'll gladly do that.

Don't forget that they are business people. They sit on other boards, and this is nothing new to them. They know that if there's a conflict, they have to declare it, and if they have been properly instructed, not only declare it but get out of the room. They presumably assumed, as with other companies, that they could stay there as long as they abstained. It depends on what the internal rules are.

I really don't know to what extent they were briefed or were taught and reminded of it. Strangely enough, this outfit did not have a corporate secretary; they only had a recording secretary. I don't know how you run a company without a corporate secretary, because that person usually calls the meeting, brings the documents together, and informs everybody, but that's how they operated. I don't know to what extent there was emphasis on conflict of interest.

Michael, you looked at all the minutes. Please help supplement this.

**Mr. Michael Aquilino:** To the extent that the issue or the decision involved start-up funding or the more important financial decisions, the board by and large recused. It properly recused. It was noted in the minutes. They left the room.

I think the commissioner's report showed that there was a fundamental misunderstanding in two key areas. One was involving the consent agenda, which also included spending items. Those should have been voted on independently, individually. That would have allowed the conflicted board member to properly recuse on those as well. Instead, they were treated as a bulk vote.

On the matter of the COVID votes, they were instructed incorrectly. That was the source of the conflict there.

• (1625)

[Translation]

**The Chair:** Thank you very much.

Mr. Cooper, you have the floor for five minutes.

[English]

**Mr. Michael Cooper (St. Albert—Edmonton, CPC):** Thank you, Mr. Chair.

Commissioner, at committee in July, you indicated that you had in your possession, and were reviewing, nine text messages from Randy Boissonnault's business partner, Anderson, nine of which name a "Randy" and one of which places this Randy in Vancouver at, coincidentally, the very same time that the Liberal cabinet was meeting—

**Mr. Ryan Turnbull:** I have a point of order on relevance. Come on.

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

Mr. Cooper, a point of order that has been brought has been discussed before. I would encourage you and I will ask you to stay on the topic we're discussing.

However, if this topic is of interest, you can always bring it up at other committees or through Standing Order 106(4), just as was done for this committee to meet on SDTC.

I find it a little disrespectful to the time of the committee that you would be—

**Mr. Michael Cooper:** Well, with the greatest...

Perhaps I may reply to the point of order. I haven't even had a chance to pose my question. If I had been given that opportunity, it would have been apparent that it was in fact tied to the issue before this committee.

**The Chair:** Okay. Please tie it to the matter at hand.

**Mr. Michael Cooper:** Yes.

Commissioner, now that you have the nine text messages naming Mr. Boissonnault, or a Randy, we have not one smoking gun but nine smoking guns. Since July, have you opened an investigation into Randy Boissonnault contravening the Conflict of Interest Act?

**Mr. Ryan Turnbull:** On a point of order, Chair, that is not relevant to the topic at hand.

**Mr. Michael Cooper:** With the greatest—

**Mr. Ryan Turnbull:** It has nothing to do with SDTC, which is the topic of the meeting today.

I know that Mr. Cooper and his Conservative colleagues have a hard time reading the motion, perhaps, but this is on SDTC.

**Mr. Michael Cooper:** Mr. Turnbull, the commissioner said—

**The Chair:** Thank you. This is not—

**Mr. Ryan Turnbull:** I know that Mr. Cooper doesn't like hearing from me because we've had many battles at many committees, but this is not relevant.

**Mr. Michael Cooper:** I know that Mr. Turnbull wants to cover up Liberal corruption—

**The Chair:** Mr. Cooper, you don't have the floor.

I listened to the point of order brought forward, and it's again the same thing: It goes to relevance. I'm very liberal in how I interpret the topics that are discussed. I'm generous. However, I can't tie it to the subject at hand.

Mr. Perkins with colleagues brought us in during the summer under Standing Order 106(4) to take three hours of committee time to discuss SDTC. I'd like for us to discuss SDTC.

Please, Mr. Cooper, can you—

**Mr. Michael Cooper:** Commissioner, are you investigating Mr. Boissonnault for violating the Conflict of Interest Act?

**Mr. Konrad von Finckenstein:** No.

**Mr. Michael Cooper:** You're not.

Now, going back to the study at hand, you said, Commissioner, "What is the point? What is the point of investigating someone like Ms. Verschuren, who is no longer in her position?" Here you have a sitting minister who potentially violated the Conflict of Interest Act with not one, not two, but nine smoking guns, and two months later you haven't bothered to do anything further. Is that what you're telling this committee?

**Mr. Konrad von Finckenstein:** First of all, as you know, before I investigate, I have to have reasonable grounds to investigate. What you have here is a bunch of emails—

**Mr. Michael Cooper:** [*Inaudible—Editor*]

**Mr. Konrad von Finckenstein:** Can I finish?

**Mr. Michael Cooper:** You have nine emails that name a Randy, one that just coincidentally—

**Mr. Konrad von Finckenstein:** I'm fully aware of—

**Mr. Michael Cooper:** —happens to connect him to being in Vancouver, and you say you don't have any grounds? I'm shocked at the lack of interest, the lack of curiosity, on a—

**The Chair:** Mr. Cooper—

**Mr. Michael Cooper:** —sitting minister who may have contravened the Conflict of Interest Act. Why don't you do your job?

**The Chair:** Mr. Cooper, I'll ask you to let the witness respond.

**Ms. Yvonne Jones (Labrador, Lib.):** I have a point of order.

**The Chair:** At the same time, this is so far from what we're supposed to be studying, Mr. Cooper. Have you read the motion?

**Mr. Michael Cooper:** He said, "What's the point?" He said that with respect to Ms. Verschuren. Now I'm talking about a minister who's in his office, and he's not interested in investigating the minister.

**The Chair:** Well, this is—

**Mr. Michael Cooper:** He's not interested in investigating Ms. Verschuren. He's not interested in investigating the minister. What is he interested in investigating?

**Ms. Yvonne Jones:** I have a point of order, Mr. Chair.

**The Chair:** Yes—

**Mr. Michael Cooper:** Is he interested in actually enforcing the Conflict of Interest Act?

**The Chair:** Mr. Cooper, I understand you're not a regular member of this committee. I'd appreciate it if maybe the vice-chair, Mr. Perkins, could brief you on how we do things around this committee, but we don't interrupt each other. We don't interrupt the chair, for one thing, and we talk when we have the floor. I haven't given you the floor.

There's a point of order that's been raised, a very valid one on relevance, and I think your questions are just not relevant. It's not that I don't—

**Mr. Michael Cooper:** I know Mr. Turnbull wants to run interference to protect Randy Boissonnault. It appears you do as well, Chair.

**Mr. Ryan Turnbull:** That's one interpretation.

**The Chair:** Mr. Cooper, well, that is just....

[*Translation*]

Mr. Cooper, it doesn't matter how you explain it or what topics you want to discuss. Committees are sovereign. If you want to continue on that topic, that's fine by me, but the committee would have to vote on a motion that says that's what we want to talk about.

[*English*]

If you want to do a study about the line of questions you're asking the commissioner, we can, but we just need to adopt a motion in that direction. This is not what we're supposed to be studying today. It's as easy as that.

Madame Jones, go ahead on your point of order.

● (1630)

**Ms. Yvonne Jones:** Thank you, Mr. Chair.

Of course, my point of order is on relevance, which has had to be raised for probably the third time since we started the committee, and with some of the same speakers.

I just want to note for the record that there is always opportunity to approach the commissioner on other issues outside of the committee forum. Today we're discussing a very different matter. The commissioner is here to answer questions on that matter. It is of vital importance to the committee, and I would really appreciate it if members could stick to the study and the topic that we're debating.

**The Chair:** I agree, and so I ask you, Mr. Cooper, as you still have two minutes and 56 seconds, to stay on the topic. If you haven't seen the notice of motion or if your fellow members haven't shared it with you, please have a look at it. We came here during the summer on a Standing Order 106(4) for that very special meeting.

Mr. Cooper—

**Mr. Michael Barrett:** On that point of order, Chair—

**The Chair:** Yes, Mr. Barrett, go ahead.

**Mr. Michael Barrett:** Mr. Chair, I did confer, after you instructed me to perhaps consult the notice of motion, to confirm that it hasn't changed. The direction that Mr. Cooper went, which deals with the analogous situation between what Mr. Perkins raised, the response from the commissioner and the comparison to another decision of the witness, is what we are looking at. I checked. The no-

tice of motion is exactly the one that was passed in the summer. It's based on the motion that was passed at the Standing Order 106(4) meeting in the summer, so you can rest assured that I did read it.

I understand that the Standing Orders are the same at all of the committees, so I appreciate the guidance and being welcomed here. However, with respect, Chair, the analogy that Mr. Cooper draws is absolutely not any further than the analogy that Mr. Turnbull drew to SDTC in the House, which did not deal with the conflict of interest that we're talking about with Ms. Verschuren. Equal opportunity to draw analogies or deal with related subjects would be appreciated. That's all we're looking for.

I can assure you that we were well consulted, and Mr. Perkins briefed us very well on the standard operating procedures here.

**The Chair:** I appreciate that.

Mr. Masse, do you have something to add on this point of order?

**Mr. Brian Masse:** Yes. It's just clarification on how much time we have left. I know the Conservatives are filibustering each other at the moment, but at the same time, we have the witness here for only a certain amount of time. I want to confirm how much time we have left for that.

**The Chair:** Well, it depends. We have until about 4:35 with the witness. The points of order have eaten up a lot of time, but I can still give a minute to Mr. Cooper or to Mr. Brock if he wants.

**Mr. Michael Cooper:** Well, I turn it over to Mr. Brock.

**Mr. Larry Brock (Brantford—Brant, CPC):** Do I have three minutes, Chair?

**The Chair:** Well, it depends. The time we're taking with the commissioner will eat into the time we have with Madam Verschuren, which I think is of interest to the committee.

Mr. Brock, go ahead.

**Mr. Larry Brock:** Commissioner, thank you for your appearance.

I want to drill down, setting the stage for Ms. Verschuren's appearance, on the issue of her knowledge of recusal versus abstention. She said quite proudly, when she testified on December 12 and December 14, 2023, that she had been a board member on various boards since she was 38 years of age. She's extremely familiar with conflict of interest policies. She recused herself on numerous occasions. Then, she said very proudly, "I am sure that I didn't break ethics laws." That was on December 14, 2023, before the release of your report.

I know that she spoke with a compliance officer in your office on June 4, 2019. Obviously, the issues of recusal and abstention were discussed. Clearly, Commissioner, you weren't the compliance officer she spoke with. Is that accurate?

**Mr. Konrad von Finckenstein:** That was not accurate.

**Mr. Larry Brock:** Are you satisfied that your compliance officers would have explained consistently, in simple language, the clear distinction between abstention and recusal?

**Mr. Konrad von Finckenstein:** I cannot answer. The only record we have is that she called and spoke to one of my officers. Unfortunately, that officer has since left, and the email in which she reported what her conversation with Ms. Verschuren was is no longer there because we erased it once she left.

I honestly don't know what she discussed, to what extent she explained things to her or what they talked about. All I know is that it was a very short conversation between her and one of my officers.

● (1635)

**Mr. Larry Brock:** Okay, but you have no reason to suggest that, for any particular reason, the compliance officer would have deviated from your office's policies in terms of having that discussion with order in council appointments.

**Mr. Konrad von Finckenstein:** If Ms. Verschuren had asked what recusal means, she would have been told that it meant to leave the room. There's no question about it. Did she ask? I don't know. I have no evidence regarding what the conversation was about and what it concerned.

When a public officer is newly appointed, they may have all sorts of concerns, and that's why they phone us. Unfortunately, I have no record of what was discussed.

**Mr. Larry Brock:** I'm referring to paragraph 141 on page 30 of your report. There you talk about the distinction between the two terms, as explained in the "Morneau II Report".

Speaking of very simple language, I think, moving forward, that you might want to, as a suggestion—it's obviously entirely up to you, Commissioner—for future discussions with these appointees, have that simple language explained, in light of the classic examples that she demonstrated in taking legal advice, as opposed to stating to you that she understood not only that her compliance with SDTC policy but also with the Conflict of Interest Act was paramount. She was now relying upon extremely poor legal advice.

I think it would be helpful in the future if that distinction were to be made known to all of those appointees.

**Mr. Konrad von Finckenstein:** As I mentioned in my opening remark, we just issued an information notice to everybody exactly on that point, in plain language. Recusal means to leave the room, physically or virtually. I can't say it more clearly than that.

**Mr. Larry Brock:** I agree.

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

MP Gaheer, go ahead for five minutes.

**Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.):** Thank you, Chair.

Thank you, Commissioner, for appearing before the committee.

I wanted to ask about your role more generally.

We know that SDTC is an arm's-length, not-for-profit foundation, as created by the Government of Canada.

In your purview, how do you keep an eye on not-for-profit foundations, other arm's-length organizations and bodies within the Government of Canada?

**Mr. Konrad von Finckenstein:** It's not the body; it's the people appointed to it.

I look at MPs, elected officials, ministers, their assistants and the people appointed by order in council. When the order in council is issued, it will qualify them as either reporting public officers or public officers. "Public officers" means that you have to comply with the act, *point final*. "Reporting public officer" means that you have to come to me and you have to fill out a long questionnaire. I tell you what to do or not do; you have to report to me if anything changes, and you may have to sell certain things. A person in my office is appointed to be solely responsible for you, and you can call that person and get advice at any time.

**Mr. Iqwinder Gaheer:** As MPs, we also have to fill out the same questionnaire, so I'm very familiar with it.

Do you look only at reported cases of conflict, or does your office engage in anything proactively?

**Mr. Konrad von Finckenstein:** There are two things. Cases can be referred to me, especially by members of Parliament, or there has to be a reason to believe that a public office holder or former public office holder has contravened this act. If I have reason to believe this, then I can say that I want to make an investigation. If there isn't, or if there are just some vague suspicions or allegations that come out that don't amount to a reason to believe, then I don't do it.

It's a discretion vested in me to decide whether there is reason to believe.

**Mr. Iqwinder Gaheer:** I'm a lawyer, and I think many members of this committee are lawyers as well. I'm just wondering what amounts to reasonable grounds to investigate. Is that a "more than likely" standard?

**Mr. Konrad von Finckenstein:** Yes, it's more than a mere suspicion, and it's short of reasonable grounds. The act is vague because there is more than.... I think your definition was probably about the right one. It is that there's a likelihood there.

**Mr. Iqwinder Gaheer:** Do the parties who are being investigated by your office know they're being investigated?

● (1640)

**Mr. Konrad von Finckenstein:** Yes.

You are informed. You can bring your counsel, which you normally do. You are put under oath, and then we ask you questions, and then we may want to have certain records. We have the power to issue a subpoena and expect to get everything, and we can also subpoena third parties.

**Mr. Iqwinder Gaheer:** Do you think it would be fair to say that if there's not been a complaint by someone or a third party or if your office has not picked up on something that seems wrong in the disclosure itself, your office generally will not know if there are misdoings or misconduct?

**Mr. Konrad von Finckenstein:** We won't know unless it's something in the public domain. Usually, it may be that somebody informed us or else there's something in the papers or on TV, or something that is sufficient to meet the threshold I just mentioned.

**Mr. Iqwinder Gaheer:** Okay.

I think we've seen this line of criticism from the Conservatives. They keep claiming that you, as a Trudeau-appointed commissioner, failed at your job by not sufficiently keeping an eye on Ms. Verschuren throughout her appointment. I think the questions I've asked have clearly shown that your job is not to keep sort of a proactive eye: It's through disclosures or through complaints that reach your office. Am I correct?

**Mr. Konrad von Finckenstein:** I'd take objection to "Trudeau-appointed". I was appointed by the Governor in Council, and the appointment was approved unanimously by the House of Commons, so I'm not partisan in any way. I was appointed because of my former history in the public service and, as I say, all parties agreed to it. My job is to honestly and objectively administer the facts.

**Mr. Iqwinder Gaheer:** On the criticism that you were to proactively keep an eye on Ms. Verschuren, I think your answers have clearly shown that is not in the purview of your office.

**Mr. Konrad von Finckenstein:** No. I essentially act either on information that is sent to me or if there is something that's in the public domain that is sufficient to give me reason to believe that there's a conflict of interest there, but I'm not doing supervision of people, nor of organizations.

**Mr. Iqwinder Gaheer:** Great. Thank you.

**The Chair:** Thank you very much, MP Gaheer.

Thank you, Commissioner, and thank you, Counsel, for your presence here with us today. We're off to a great start to this session.

On that, we will briefly suspend. We'll be right back in about five minutes with Annette Verschuren.

Thank you. The meeting is suspended.

• (1640) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1650)

[*Translation*]

**The Chair:** Colleagues, we are resuming this meeting of the Standing Committee on Industry and Technology.

We are welcoming Annette Verschuren back to the committee.

Ms. Verschuren, thank you for joining us today for the committee's first meeting since the summer break. As you know, you have five minutes for your opening remarks. Without further ado, I'll give you the floor.

[*English*]

**Ms. Annette Verschuren, o.c. (As an Individual):** Mr. Chair, honourable members, thank you and good afternoon.

I was pleased to accept your invitation to discuss the findings, analysis and conclusions contained in the commissioner's report.

I want to emphasize to this committee and to Canadians that on the day the report was released, I immediately accepted the findings of the commissioner, just as he accepted that I acted in good faith and that I properly sought legal guidance to ensure compliance with all established guidelines.

I'll say it again. I accept his findings, all of them, just as he accepts that I, at all times, acted in good faith and with the best of intentions.

Since we're here to discuss the commissioner's report, let me go right to the source.

In his report, the commissioner concluded, and I quote, "In my view, Ms. Verschuren took what she believed at the time to be proper steps to ensure that her interests did not interfere with the exercise of her official duties as Chairperson of SDTC. She believed at the time that she had acted within the bounds of the Act."

Later he concluded, and again I quote, "There is no evidence that Ms. Verschuren attempted to influence the decision of her colleagues on SDTC's Board."

He also concluded, and again I quote, "It is unfortunate that a lack of consistency in decision-making processes at SDTC, coupled with incorrect legal advice, caused Ms. Verschuren to deviate from that standard practice and thus led her to contravene the Act."

To the members of the committee, and to Canadians, I say I trusted the professional and experienced legal advice that I was given. I followed established SDTC board practices that predated my tenure. At all times I took what I believed to be the correct steps.

In the eyes of the commissioner, those established practices were flawed. That legal advice didn't go far enough. I abstained from voting when, in his view, I should have taken the additional step of recusing myself. I accept his findings, just as he accepts that I acted in good faith and adhered to what I believed to be the proper set of measures.

Thank you, Mr. Chair.

I'm happy now to answer your questions.

[*Translation*]

**The Chair:** Thank you very much, Ms. Verschuren.

Mr. Perkins, you have the floor for six minutes.

[*English*]

**Mr. Rick Perkins:** Thank you, Mr. Chair, and thank you, Ms. Verschuren.

Ms. Verschuren, when did the minister's office approach you to consider being the chair of SDTC?

• (1655)

**Ms. Annette Verschuren:** I don't know exactly the date. It was a couple of times, I think, he spoke to me about this, as did his policy adviser, I believe, as well.

**Mr. Rick Perkins:** You're referring to Minister Bains?

**Ms. Annette Verschuren:** Yes, Minister Bains.

**Mr. Rick Perkins:** They called you to see if you would do this?

**Ms. Annette Verschuren:** Yes.

**Mr. Rick Perkins:** Your testimony, or at least what's reflected in the Ethics Commissioner's report in your interview there, also said that the government approached you. Is that correct?

**Ms. Annette Verschuren:** That's correct.

**Mr. Rick Perkins:** However, Minister Bains, when he appeared before this committee, said he had nothing to do with the appointment and that he had been given a list from PCO and that you had applied. Is that true? Had you applied before you spoke with Minister Bains, or after?

**Ms. Annette Verschuren:** Mr. Chair, I never applied for the position of the chair of SDTC.

**Mr. Rick Perkins:** Thank you. Thank you. Thank you. That clarifies a lot of things about Minister Bains' testimony here and the cover-up on this.

Now, if I could ask you a few questions, while I appreciate that you appreciate the conflict of interest commissioner's very narrow review of the circumstances, the conflict of interest commissioner just testified here that actually he didn't cover all of the conflicts that were identified by the Auditor General in her report. Indeed, he did not say that there were two; it was confirmed here there were 24 instances of conflict of interest for yourself, not two.

Do you agree that you had a conflict of interest at least 24 times?

**Ms. Annette Verschuren:** Mr. Chair, I accept the commissioner's findings, just as he accepted in his report that I acted in good faith on legal advice and on the established board practices that predated my tenure.

**Mr. Rick Perkins:** Yes, and we have testimony from the former president, Leah Lawrence, who said before this committee that when she tried to improve the governance structure and governance policies, you as the head of the board, and the board itself, rejected those attempts.

**Ms. Annette Verschuren:** Mr. Chair, I do not recall those conversations.

**Mr. Rick Perkins:** On the conflicts that were outlined by the Auditor General, the Auditor General took a sampling over five years of 226 projects during the time of the five-year audit. There were over 400 that the board approved at the time, and the Auditor General took a sampling of 226. Out of that 226, 186 votes in the board had a conflict. In other words, in 82% of the sample that the Auditor General took, board members were conflicted.

It sounds to me like the board members were overrepresented in the allocation of the roughly \$800 million—\$836 million—that

those votes represented. Eighty-two per cent were going to conflicted board members.

We've had testimony before the committee that when you were appointed with a managed conflict—the first chair in the history of the SDTC to have a conflict and be appointed to chair this board—the culture changed. In fact, fellow board members and the former president testified that one board member said, “Oh, we can manage conflict, so I'm going to bring some projects back.”

Isn't it true that your leadership created a culture of conflict of interest that led to 82% of board members receiving a vast majority of the funds, over \$330 million, for companies in which they had a conflict of interest? That wasn't happening before.

While you say it was done innocently, when 82% of board members, including yourself, are voting for things involving a conflict of interest, that doesn't look innocent; that looks like a plan.

• (1700)

**Ms. Annette Verschuren:** The investments that SDTC made over the years were all invested in projects that included capital for labour, for capital equipment. All investments were spent and audited, and an enormous amount of due diligence went into the process.

**Mr. Rick Perkins:** Are you telling me the few board members who were on that board, the nine who were identified by the Auditor General as having conflicts of interest, represent 82% of the invested interest in green technologies in Canada? There is statistically no way that this could be true.

The result is that your interests were represented in 82% of the votes, “your” being the board members and the board that you led, so there was something going on that was way different from what a public office holder should allow.

**Ms. Annette Verschuren:** The decisions.... SDTC undertook a lot of due diligence. The commissioner referred to technical violations in his report on the work that he did with me. I think that there are—

**Mr. Rick Perkins:** Eighty-two per cent of votes are not technical breaches of conflict of interest. They're real breaches. One particular board member's conflicts led to over \$200 million going into her companies, including over \$100 million while she was on the board. It's the same thing with Mr. Ouimet, with about \$10 million, and Mr. Kukuha with \$25 million.

This appears to me to be a systemic plan and groupthink says, “Together it's okay, because we've all got managed conflicts. You leave the room when yours is up, and I'll leave the room when I'm up.” It must have been tough to get quorum since so many of your directors were conflicted.

**The Chair:** Give a brief answer, Ms. Verschuren, and then Mr. Perkins' time is up.

**Ms. Annette Verschuren:** We obviously followed the processes that were in place. We obviously declared our conflicts. It was critically important that we followed those and that we followed procedure.



SDTC is an organization that really works and invests in the entrepreneurs in our country.

**The Chair:** Thank you.

MP Arya is next.

**Mr. Chandra Arya (Nepean, Lib.):** Thank you.

I'm an immigrant. I came to this wonderful country 20 years back. Whenever I travel abroad and meet my family, relatives and friends in other countries, I always say that one of the things I am proud of is that Canada is corruption-free. With my knowledge of a lot of my colleagues in the House of Commons, I can say they are corruption-free. Unfortunately, though, your actions that I've been seeing lately are things I can't defend.

I can say the first instance was a mistake. I can also say the second instance was a mistake. However, 24 times are systemic. When we include 82% of your fellow board members, it's an insider's club.

Canadians trusted that the SDTC would be at arm's length from the Government of Canada when it was formed. The government made it arm's length so that it could get professionals to manage the taxpayers' funds ethically and productively, keeping the the decision-making away from the politicians. However, you and your board destroyed it.

I joined politics with three objectives. My third objective was to ensure that Canada remains at the forefront of the knowledge-based economy that's growing the world over. I was on the board of Invest Ottawa, where one of the major objectives was to promote knowledge-based industries in the city of Ottawa. When SDTC was first formed, I was very happy. Many of us were very happy that clean technology was getting the boost that is needed. However, in a few strokes, you and your fellow board members destroyed it. I'm very sorry to say that.

As I said earlier, one time is a mistake, but not 24 times. Even now, after reading the commissioner's report, do you think it was a technical mistake?

Let me go back. I looked up the difference between conflicts of interest and corruption. It's a very thin line. There are a lot of grey areas, but when a number of instances of conflict of interest happen in a short period of time and they happen among very few members, they go to the side of corruption.

Do you agree with that?

• (1705)

**Ms. Annette Verschuren:** What happened here was about the designation of abstaining versus recusing myself, in terms of the conflict of interest. That was the thing the commissioner identified that I did not live up to, and I should have lived up to that. I recognize that.

However, I have no direct interest in any of the companies other than the one I declared 18 months before I became chair. I have no direct interest in any of those organizations. There is a perceived conflict, yes, but there's no direct investment.

**Mr. Chandra Arya:** What you're saying is is that you had a conflict of interest, but no direct investment.

I was in the private sector before I got elected. I understand how things often work: You scratch my back and I'll scratch yours. Again, if it had been a simple mistake about the definition of declaring conflicts or recusing yourself, and it were limited to that, I would have agreed. However, the numbers don't give us any comfort. It happened 24 times and with 82% of the board members. How could this continue to happen?

I'm so sorry. In my view, this has resulted in a great institution, which was formed with the very good objective of trying to promote clean technology in Canada, being destroyed.

Are you happy with the outcome of what has happened to the fund and what has happened today? What is your reaction to that?

**Ms. Annette Verschuren:** It is my understanding that SDTC is going to be managed in NRC, and the minister has made those moves to continue to sustain and operate that organization. It is a great organization.

Again, we are aware that there are investigations going on today to dig into this area, to look at the processes at SDTC and how those investments were made and how those conflicts were declared.

**Mr. Chandra Arya:** I understand that NRC is administering it, and I do have a lot of respect for the professionals at NRC and other departments in the government, but they are bureaucrats. The purpose of setting up SDTC and bringing in professionals from the private sector was that they are the people dealing with cutting-edge technologies who can understand the new technologies and who can envisage the importance of technologies. The entire premise was that the professionals from the private sector would take this thing further.

You know, government bureaucrats can do things, but they don't have the same sort of knowledge, expertise and connections within the industry to gather what is happening there.

**The Chair:** Thank you, MP Arya. That's all the time you had.

[*Translation*]

Mr. Garon, you have the floor for six minutes.

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

Ms. Verschuren, I was kind of shocked by your opening remarks. I've read the Conflict of Interest and Ethics Commissioner's report. We've all read it. It criticizes you very harshly. It criticizes your management very harshly. It criticizes your judgment very harshly.

• (1710)

[*English*]

**Ms. Annette Verschuren:** I'm sorry but I don't have the translation.

[*Translation*]

**Mr. Jean-Denis Garon:** Let me start again, Mr. Chair.

**The Chair:** Sure, but first, we'll make sure the interpretation is working.

Can you hear him? Yes? Okay.

You can start over, Mr. Garon.

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

Ms. Verschuren, can you hear the interpretation?

[*English*]

**Ms. Annette Verschuren:** No.

**The Chair:** Okay. Perhaps, Madam Verschuren, you're not on the right channel, so you just need to adjust.

**Ms. Annette Verschuren:** I'm not on the right channel.

**The Chair:** Yes. There's a button, which I think looks like a little globe, and you need to select the English channel.

**Ms. Annette Verschuren:** I think I just did that.

[*Translation*]

**The Chair:** Is the interpretation working now, Ms. Verschuren?

[*English*]

**Ms. Annette Verschuren:** Yes, it is.

[*Translation*]

**The Chair:** Mr. Garon, you can start again.

**Mr. Jean-Denis Garon:** Mr. Génereux, here, suggested that I speak in English, but we Bloc members do not do that. In Ottawa, we speak French, of course. We're not Conservatives.

Ms. Verschuren, to be perfectly frank, I was shocked by your opening remarks. Any normal, intelligent person who reads the Conflict of Interest and Ethics Commissioner's report can only interpret it as a harsh criticism of you, your management and your judgment. The end result is an erosion of public confidence in government management, which is very serious.

You said that you accept the recommendations and the report as though it was somehow congratulatory, as though you had acted in good faith, and so on. You found about three lines in the whole report that said something positive. You broke the law 24 times. The Montreal Canadiens won 24 Stanley Cups. Should you get a trophy?

I'll tell you why I'm asking. You started the conversation by telling us that you accept the findings, that it was actually a positive thing and that you acted in good faith in all this. You seem disinclined to accept that you did anything wrong.

So I will ask my colleagues' question again. Did you breach the Conflict of Interest Act at least 24 times?

I'm not asking you what your intention was, because it seems your judgment is questionable.

Did you breach the Conflict of Interest Act at least 24 times?

[*English*]

**Ms. Annette Verschuren:** Mr. Chair, I accept the findings of the commissioner's report, absolutely. It was clear that in a number of cases I abstained when I should have recused myself. In another situation, with the COVID payments, I relied on legal advice that was

not, in the view of the commissioner, appropriate. I certainly accept the fact that I should have done better, or could have done better.

[*Translation*]

**Mr. Jean-Denis Garon:** In his report, the Conflict of Interest and Ethics Commissioner states that your decision to abstain from voting without recusing yourself was based on an incorrect legal opinion.

How many years of experience do you have in administration, management, and business?

[*English*]

**Ms. Annette Verschuren:** I've been in business for a number of decades.

[*Translation*]

**Mr. Jean-Denis Garon:** How often have you violated the basic rules of conflict of interest based on an incorrect legal opinion? Does it happen a lot?

I myself am from an academic background, but in your world, in business, does that kind of thing happen a lot? Is it a common practice, or is this a one-off?

[*English*]

**Ms. Annette Verschuren:** This has not happened to me in my past.

• (1715)

[*Translation*]

**Mr. Jean-Denis Garon:** So, despite all your years of experience, you decided to simply abstain from voting.

I have, on occasion, been absent from a vote in the House of Commons after taking part in the debate. As a taxpayer, as a voter, as a member of the public, and as a person who pays the taxes used to fund Sustainable Development Technology Canada, or SDTC, how can I be sure that, even if you did not vote, you didn't try to influence how others voted?

As someone with three years' experience in politics, I've already figured that out. How is it possible that you don't understand how that works?

[*English*]

**Ms. Annette Verschuren:** The commissioner indicated he did not see any areas of influence or communication among the board in terms of not—

[*Translation*]

**Mr. Jean-Denis Garon:** I'm going to politely interrupt you, because I only have one minute left. I think this is an important question. I mean no disrespect.

As I understand it, it was not possible to demonstrate that based on the tangible evidence the commissioner was able to verify.

I'll reiterate the preamble to my question.

Can I—as a voter, as a citizen and as someone who pays taxes, who sees that a third of a billion dollars has been used to fund board members' companies—can I trust you, Ms. Verschuren?

Why should my constituents believe that you did not try to influence the decisions even though the minutes show that you did not vote?

How can we trust you, Ms. Verschuren?

[English]

**Ms. Annette Verschuren:** Mr. Chair, I would never influence the vote of any other board member. It is how I operate. It's how I hold myself accountable.

[Translation]

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

Mr. Masse, you have the floor for six minutes.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I'm trying as well to get an idea as to what took place in the boardroom there.

Ms. Verschuren, you said you've taken responsibility in the sense of accepting the commissioner's report. At the same time, you repeat in your answers what the commissioner said in the report—and I'm sure you can do that again—but you also said, “I followed established SDTC Board practices that pre-dated my tenure.”

Please expand on that. Is that the practice that was taking place? Is the conflict of interest issue you have taken responsibility for learned behaviour you got at that board when you came onto it?

**Ms. Annette Verschuren:** I always took responsibility. I declared the conflicts judiciously, and in some cases I abstained when I should have recused myself and left the room. I did not know that this was the case. I took the advice of management and legal counsel here, and I followed what the practices were.

**Mr. Brian Masse:** I want to follow up, but please go ahead with what you were saying. What practices were you referring to?

**Ms. Annette Verschuren:** I followed the practices that management and legal counsel advised me of in terms of how we were to deal with these conflicts of interest.

**Mr. Brian Masse:** Can you explain the inconsistencies of your voting versus that of somebody else? In the boardroom, you're spending enough time together that you're familiar with each other in your own lives. I understand, from previous testimony that I asked for, that there was actually social behaviour going on with the board, so I assume, then, that you all knew each other fairly well.

You said you were following practices that predated your tenure. What information did you have about the previous board, their members and their voting practices? Where did you get that information? Was that shared by other colleagues on the board, or was it something that was brought to your attention?

Clearly, you're here for a reason, and clearly the Ethics Commissioner has a report that had its conclusion, but what's not clear is the overall practice on the board.

Again, I think some people like me, who are not privy to these private, privileged positions, have a hard time understanding that basic rules were not applied, whether it was just you as an individual or whether it was the collective. My concern is how far this reaches back. You have already identified what predated your activity there.

• (1720)

**Ms. Annette Verschuren:** When I joined the board of SDTC, of course I met with the Ethics Commissioner. I obviously disclosed all of the conflict I had in the project that was approved in the previous year and a half. I continued; there was no indication, and I never saw a situation, of board members talking about specific projects. There was governance. The project and review committee would meet after an extraordinary amount of due diligence. That would be analyzed. The management would make a recommendation to the board. We declared conflicts.

In my case, in terms of abstaining and recusing myself, I made a number of mistakes.

**Mr. Brian Masse:** Did you learn that behaviour from decisions that predated you, or was it you on your own? You mentioned that you followed practices that predated your tenure. It seems odd that you would be the only person doing this and that nobody would say anything in any place or at any time. It seems odd that you claim you were consistent with regard to your practices but that they went into the abyss on this particular matter.

It concerns me, because the Ethics Commissioner was here and said that your model is actually a good model. That's what he said when he was here. The bigger concern I have, then, is the governance system in place in general across these boards in appointed positions and places of privilege.

If you could just be really clear here, was this learned behaviour that you got from SDTC? You mentioned that it predated you. Was it just this lapse at this point in time? Are you isolated and alone in being the only one who did this?

**Ms. Annette Verschuren:** I followed the practices that were communicated to me in the transition as the chair of the board of SDTC. I was responsible for the governance of that organization, which included four committees. That committee structure was critical, and among the board of directors that I worked with, I genuinely thought I was following all of the conflict of interest guidelines.

The commissioner clearly indicated that I made two mistakes: the technical mistake of not recusing myself instead of abstaining, as well as listening to the advice of legal counsel that he felt was flawed.

**Mr. Brian Masse:** I'm done. I'm going to go check myself for a concussion.

**The Chair:** Thank you, Mr. Masse and Ms. Verschuren.

Mr. Perkins, go ahead.

**Mr. Rick Perkins:** Ms. Verschuren, the commissioner's office just testified, just to be clear, that there were 24 conflicts of interest, not two.

However, I want to go back to my question on how you were appointed.

You said that you didn't apply and that the Liberal minister of industry approached you, and you had two conversations with him to do that.

However, we also have testimony here from the Liberal minister of industry, who said that he was given a list by the Privy Council Office, and that's who he contacted. The head of appointments for the Privy Council Office, who was in place when you were appointed, said that she supplied six names to Minister Bains. When asked if anyone had ever been appointed without being on that list, she said no, not that she was aware of. However, you didn't apply, so I have no idea how you could have been on the list that Minister Bains then went and checked out.

Who, then, misled the committee—Minister Bains and the Prime Minister's department, the PCO, on appointments, in saying that you applied, or you in saying you never applied?

• (1725)

**Ms. Annette Verschuren:** Mr. Chair, I believe the situation was that there were indications that I was requested to consider being an applicant. I'm sure the Privy Council Office would have looked at a number of applicants. I would expect—

**Mr. Michael Barrett:** Ma'am, let's move to a different question.

In your opening statement, you said repeatedly that the Ethics Commissioner said that you acted in good faith. Are those your words or his?

I did look through his report. I read it before, and I trust you did too. It says “good faith” in there one time, but it's not in this report talking about your being found guilty of corruption. That “good faith” phrase isn't about you, so why would you make that up? Why would you assert that in your opening statement today? He didn't say you were acting in good faith.

**Ms. Annette Verschuren:** Mr. Chair, we just heard from the commissioner, and I accept his findings. I—

**Mr. Michael Barrett:** Ma'am, if you accept his findings, you'll recognize that he didn't, in his findings, say that you acted in good faith.

How many Canadian tax dollars were given out in conflicts of interest by Liberal-appointed board members at Sustainable Development Technology Canada—how much money? Just the number would be helpful.

**Ms. Annette Verschuren:** You mean the total amount of money?

**Mr. Michael Barrett:** Yes. The Auditor General pegged the number at \$330 million given out in conflicts of interest. Do you dispute that number?

**Ms. Annette Verschuren:** If the Auditor General stated that number, it's obvious that it is accurate.

**Mr. Michael Barrett:** So you agree?

Ma'am, are you proud of your time at Justin Trudeau's green slush fund? It's a yes-or-no question.

**Ms. Annette Verschuren:** The investments that SDTC made in the clean-tech industry have had an enormous impact on Canada. I'm very proud of the work that SDTC has done, yes.

**Mr. Michael Barrett:** Are you proud of the \$300 million given out in conflicts of interest? Are you proud of the 24 instances of your own conflicts of interest? Are you proud that you used your position to help enrich yourself and your friends?

**Ms. Annette Verschuren:** Again, I accept the commissioner's findings. I recognize that there were two things that I could have improved in terms of recusing versus abstaining.

**Mr. Michael Barrett:** I have about 30 seconds left, and I have to say I'm not sure what's worse—that you didn't report the governance issues and, as chair of the board, demand changes, or that it seems as though you don't really think you did anything wrong.

I have one question to finish my time: When will you return the money you took from the green slush fund?

**Ms. Annette Verschuren:** Mr. Chair, I've been accountable, and people in public service in these positions need to be accountable. I have been involved with four different reports. I have made myself available. None of these experts has come to that conclusion.

Again, the other major issue is that those investments were made in projects in Canada that really have grown the economy.

**The Chair:** Thank you.

MP Van Bynen, the floor is yours for five minutes.

**Mr. Tony Van Bynen:** Thank you, Mr. Chair.

Mrs. Verschuren, I keep hearing the words about being a Liberal insider. You've donated extensively to the Conservative Party of Canada. In fact, you've consistently donated, since 2013, to the federal party. You also donated to two people in their last leadership campaign. Can you confirm that you donated to the Raitt leadership campaign back in 2017?

• (1730)

**Ms. Annette Verschuren:** Yes.

**Mr. Tony Van Bynen:** Can you confirm that you donated \$1,675, close to the maximum allowable amount, to the Charest campaign on March 24, 2022?

**Ms. Annette Verschuren:** Yes.

**Mr. Tony Van Bynen:** I see that this is the exact same amount that a certain Mr. Perkins, unless there are two of them, donated to the campaign. That's a story for another time, I suppose.

Mrs. Verschuren, is it true that you donated to the York—Simcoe Conservative association between 2013 and 2015?

**Ms. Annette Verschuren:** Was York—Simcoe under Chrystia Freeland's—

**Mr. Tony Van Bynen:** It was the Simcoe—Grey county association in 2013-15. I believe that's Conservative.

**Ms. Annette Verschuren:** I don't recall.

**Mr. Tony Van Bynen:** Conservatives would have us believe you're a Liberal insider. That must totally explain why Prime Minister Mulroney, rest his soul, asked that you serve on his national science and technology committee, and why finance minister Flaherty tapped you for his economic adviser and to serve on his economic council during the 2008 recession.

How do you respond to these baseless comments made by the Conservative colleagues?

**Ms. Annette Verschuren:** I've been privileged as a Canadian to work with many prime ministers. As a citizen, I will work with the prime minister who is in power. I've worked with Prime Minister Stephen Harper and I've worked with other prime ministers. I think it's really important for Canadians to be able to serve and give of themselves to help this country move forward.

**Mr. Tony Van Bynen:** Mrs. Verschuren, would it be correct to say that compared with other small and medium-enterprise businesses, the clean-tech sector and small innovators rely more heavily on public sector funding to help de-risk these investments?

**Ms. Annette Verschuren:** Mr. Chair, it's a really important point. These are high-risk, difficult projects to start. SDTC begins the pipeline, and then other organizations, financial institutions, support them.

It's critically important that we continue to invest in small and medium-sized companies. They are the future of Canada. We are an innovative society. Those companies become large companies, and those companies export to other parts of the world. I am extraordinarily interested in moving those organizations ahead, and I have been. I think it's an underestimated area of potential development in our country.

**Mr. Tony Van Bynen:** This is a highly competitive, high-performing sector in Canada. A few years ago, the industry accounted for between 2.9% and 3.3% of Canada's GDP. What does it represent today as a percentage of GDP?

**Ms. Annette Verschuren:** I do not know that answer. Is it double?

**Mr. Tony Van Bynen:** I'm asking you.

**Ms. Annette Verschuren:** I don't know. I apologize.

**Mr. Tony Van Bynen:** I'll pass on that, then.

It's important that we continue to invest in these industries, and it's important that the government continues to support these industries, but the issues and concerns and challenges that the industry has suffered have been real challenges.

You're not the only one to deserve blame here. I'll place some of the blame on the Tories, who continue to malign the clean-technology funding and continue to try to vilify a fund that is part of a wider ecosystem supporting a highly innovative, competitive industry in Canada. The clean sector is a key driver of innovation in our country. Tories love to cry about a productivity crisis in Canada, yet

they so brazenly malign some of our most competitive industries. We know that the Tories aren't solution-driven. They're jeopardizing the future of this entire industry.

I'll leave my comments at that.

Thank you, Mr. Chair.

• (1735)

[*Translation*]

**The Chair:** Mr. Garon, you have the floor for two and a half minutes.

**Mr. Jean-Denis Garon:** I'll use my turn to move the following motion:

Given that the Auditor General's Report 6 - Sustainable Development Technology Canada 2024 concluded that the Sustainable Development Technology Canada (SDTC) program failed on several points in the allocation of funding and that projects were approved while there were board members who were in conflict of interest and that they did not withdraw from decision-making;

That the Committee declares :

that it is of the opinion that the offending companies that acted in bad faith and despite the ethical rules that apply in cases of conflict of interest must reimburse the sums they received from the Sustainable Development Technology Canada (SDTC) program and;

it believes that companies that acted in good faith should not be penalized for the government's laxity in implementing the Sustainable Development Technology Canada (SDTC) program and allocating funding;

Consequently, the Committee proposes that the Auditor General issue a list of organizations or companies that are at fault, that have acted in bad faith, despite the ethical rules that apply in cases of conflict of interest.

Thank you.

**The Chair:** Thank you very much, Mr. Garon.

Has the motion been distributed in both official languages?

**Mr. Jean-Denis Garon:** Obviously, everyone understands French, but for those who do not, we're working on it. We're waiting for it.

**The Chair:** You could ask your Conservative colleagues for help with the translation—

**Mr. Jean-Denis Garon:** Especially Mr. Généreux.

**The Chair:** Perfect.

Okay, since the motion has not yet been sent in both languages, but will be sent shortly, I propose that, in the meantime, we suspend the meeting for a few minutes so that all members can receive it, read it and decide what they think. We'll then resume the meeting.

Mr. Masse, you have the floor.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I was just hoping that perhaps I could use my two minutes to get something in that I would like to get done. It is separate from this, but I have limited time. If I could do that, it would be appreciated.

**The Chair:** Mr. Masse, I'm positive we'll have the time to get to you. It's probably best, given there is a motion on the floor, that we deal with this one first, and then we'll come to you. You're next on the list.

We'll briefly suspend just to tend to the motion.

[*Translation*]

Mr. Garon, I want to make sure I understand.

Are you moving your motion or—

**Mr. Jean-Denis Garon:** I am moving the motion.

I apologize for my limited knowledge of procedure, especially compared to the Conservatives, but I've been told that this is allowed because this is the subject currently being debated. However, out of courtesy, we can wait a few minutes for it to be translated.

**The Chair:** Yes, you sure can.

Okay, we'll wait for the translation. We'll come back to the motion once it has been distributed. In the meantime, we could continue with questions.

How long do you think it will take, Mr. Garon?

[*English*]

We'll suspend for five minutes to have it circulated, and then we'll deal with it.

• (1735) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1750)

[*Translation*]

**The Chair:** Mr. Garon, you can't move a motion unless it's in both official languages. Unfortunately, time is running out and we have to wrap up at 6:30 p.m. We don't yet have the motion in both official languages. Let me know when you have it in both official languages and can send it to the clerk, and I will recognize you so you can move it.

In the meantime, I'd like us to continue our discussion with the witness who's here. If you don't have a question for him, I'll go to Mr. Masse.

Mr. Masse, you have the floor.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I want to make sure other colleagues get a chance to ask questions, but I do have something I want to get on the record today for business for this committee.

I'm going to read this into the record for consideration for future business:

That the Standing Committee on Industry and Technology undertake a study on the issue of credit card practices and regulations, following recent concerns about the high interest rates, excessive fees, and consumer protection. This study should include, but not be limited to, the following areas:

a. Interest rates and examining of the impact of high credit card interest rates on Canadian consumers and potential measures to cap or regulate these rates;

b. Fees and charges and analysis of various fees associated with credit cards, including the payment fees, annual fees and foreign transaction fees, and how these fees affect consumer finances;

c. Consumer protections and a review of these measures related to credit cards, with a focus on improving transparency in credit card terms, interest rates and fees;

d. Predatory lending practices, to investigate predatory lending practices within the credit card industry, and recommendations for stricter regulations to prevent exploitation of consumers;

e. Financial literacy, with consideration of the role of financial literacy in helping consumers manage credit card debt, and potential initiatives to enhance financial education;

f. Regulatory oversight, including an assessment of the effectiveness of existing regulatory frameworks overseeing credit card companies, and potential impacts to ensure fair and transparent practices.

The study should be no fewer than four meetings and include consultations with relevant stakeholders, including financial experts, consumer advocacy groups, and representatives from the credit card industry.

I just want to table that notice for now. I'll turn my time over now to other members of the committee.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Masse, for this notice of motion.

I am just informed by colleagues that I would have needed unanimous consent to have that motion withdrawn.

• (1755)

[*Translation*]

Mr. Garon, we need the committee's unanimous consent to withdraw your motion until you get it translated. I assumed there was unanimous consent, but I just want to be sure.

Is there unanimous consent to withdraw the motion? It will be presented again by the end of the meeting.

Since no one is opposed, I'll give the floor to Mr. Généreux.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you, Mr. Chair.

Ms. Verschuren, the Conflict of Interest and Ethics Commissioner found that you guilty of 24 conflicts of interest in your role as chair of the Sustainable Development Technology Canada fund.

Madam, I have a high school diploma, a diploma in auto body repair. I have always known that using other people's money to benefit myself is wrong. How, despite all your experience, did you not know that when the Liberal government gave you the job? In fact, you stated earlier that you had to speak to the Conflict of Interest and Ethics Commissioner before you took the job, because your companies had already received money.

Why did you accept the job?

[English]

**Ms. Annette Verschuren:** Mr. Chair, in terms of your question on recognizing that there were conflicts, I established.... This was something that I could contribute to, in terms of being the chair of SDTC. I had an interest to promote this clean-tech sector.

Of the 24 conflicts, in fact for 20 of them I abstained, as opposed to leaving the room. I want to make it very—

[Translation]

**Mr. Bernard Généreux:** Ms. Verschuren, I'm sorry, but I was the mayor of La Pocatière. I'm a contractor, and I was a supplier to the city before I ran for mayor. I knew perfectly well that, as mayor, I would no longer be able to access city contracts or money. Those are basic rules of governance. How did that not occur to you on the 24 occasions when you gave yourself money without recusing yourself, without leaving the room?

That's awfully hard to believe. Seriously, I don't understand how, given your experience, you couldn't figure out that you absolutely had to leave the room and that you couldn't make a decision that would benefit your company. I don't get it.

How did that never occur to you?

[English]

**Ms. Annette Verschuren:** It certainly crossed my mind, and that's why I declared them when there was a perceived conflict—and these are all perceived conflicts that we're talking about here—so it was really important for me to recognize that. I followed the procedures that I thought were correct.

[Translation]

**Mr. Bernard Généreux:** Ms. Verschuren, earlier you said that you ended up hiring a lawyer, who provided guidance for making your decisions to ensure that you were not in conflict of interest. Apparently the blame lies with that lawyer or those lawyers—I don't know if there was one or more. It's their fault for misleading you.

As I said, I have a high school diploma, a diploma in auto body repair. Do you know what that means? You're a smart woman, Ms. Verschuren. How did you fail to realize—I've sat on several boards of directors, including the Port of Québec, for which I was also a supplier. I always recused myself when I was in a conflict of interest. I didn't have contracts while I was on the board; I wasn't allowed to have contracts.

I don't understand why you didn't realize that you had no business being there.

• (1800)

[English]

**Ms. Annette Verschuren:** When I got on the board of SDTC, I clearly disclosed to the minister, to the ISED people and to management that I had a declaration that happened 18 months prior to my getting on that board. That is the only real conflict I've had over the whole term of my chairmanship.

**Mr. Rick Perkins:** Ms. Verschuren, I have some questions particularly about NRStor, of which you are the founder and still owner and the chair of the board, I believe. You've been involved in

projects in particular with NRStor, Hydrostor and Oneida. I believe last year that project received \$50 million from Natural Resources Canada. Is that correct?

**Ms. Annette Verschuren:** That's correct.

**Mr. Rick Perkins:** That project received \$170 million from the Canada Infrastructure Bank. Is that correct?

**Ms. Annette Verschuren:** That is correct.

**Mr. Rick Perkins:** Andrée-Lise Méthot, the director who served on the board with you at Cycle Capital and served on the board with you at the green slush fund, was moved over and appointed by the Liberals to the Infrastructure Bank when that money was finally approved. Is that correct?

**Ms. Annette Verschuren:** That is correct.

**Mr. Rick Perkins:** You're the chair of MaRS, in Toronto, which I believe gets about a third of its financing from the industry department. Is that correct?

**Ms. Annette Verschuren:** Yes. MaRS is a not-for-profit organization—

**Mr. Rick Perkins:** I know it is.

**Ms. Annette Verschuren:** —that does receive money from the federal government and the provincial government.

**Mr. Rick Perkins:** According to your financial [Inaudible—Editor], it's about a third of your budget.

Has MaRS, which you chair, given NRStor and its project with Oneida and Hydrostor any taxpayer money?

**Ms. Annette Verschuren:** I do not believe that MaRS gave NRStor and Hydrostor any taxpayer money.

**Mr. Rick Perkins:** You have not benefited, and the companies you own that are associated with projects like Oneida, have not received any money whatsoever from MaRS, one-third of which is funded by the federal government. Is that correct?

**Ms. Annette Verschuren:** That's correct.

**Mr. Rick Perkins:** Okay.

If I have the correct number, you got \$170 million from the Infrastructure Bank and \$50 million from Natural Resources Canada. That's a lot of money. Outside of that, it appears to be very profitable to be connected with these Liberals and to be on the SDTC board and do their bidding so that other Liberals can get money, and then, in return, in other government organizations, your projects got money. It's a lot of taxpayer money.

**The Chair:** I'm not sure there was a question there, Mr. Perkins, but that's all the time you have. Thank you.

Mr. Turnbull, the floor is yours.

**Mr. Ryan Turnbull:** Thank you, Chair.

Ms. Verschuren, thanks for being here today.

You have said multiple times that you followed correct procedures, and you've also said that you accept the Ethics Commissioner's report and the Auditor General's report and findings, and that you in fact abstained from votes when you should have recused yourself. Do you regret not having recused yourself?

**Ms. Annette Verschuren:** Mr. Chair, yes, if I had to do it over again, I would have absolutely recused myself. I just was not aware of the difference between abstaining and recusing.

**Mr. Ryan Turnbull:** I have a list of quite a number of appointments that you've had over the years, going all the way back to 1987, when Brian Mulroney appointed you to the national advisory board on Science and Technology. When you were on that national advisory board, did you declare conflicts of interest, and did you abstain, versus recusing yourself, in situations during those regular board practices?

**Ms. Annette Verschuren:** Mr. Chair, that advisory board was chaired by the former prime minister, and the objective of that board was to work with the American counterparts, an equivalent number of people, to bring and to develop science and technology in both of our countries. There weren't decisions made, other than advice being given to both governments.

• (1805)

**Mr. Ryan Turnbull:** I get that. Then there were no funding decisions made, so you didn't have to abstain or recuse yourself from anything because there were no votes taken. Is that right?

**Ms. Annette Verschuren:** That's correct.

**Mr. Ryan Turnbull:** Okay. What about when Stephen Harper appointed you to the North American Competitiveness Council? I know that was another appointment you received. Did you, in the regular practices of that council, have to abstain or recuse yourself in any situations, and did you declare conflicts of interest, perceived or real, that occurred in any of the council's undertakings?

**Ms. Annette Verschuren:** Mr. Chair, there was a similar circumstance with former prime minister Stephen Harper. He asked me and a number of other Canadian leaders to join him in Mexico and to work with him to open trade barriers between our three countries.

**Mr. Ryan Turnbull:** Okay, that's great.

I note that you were appointed by Jim Flaherty to the Economic Advisory Council. You were appointed by Jim Flaherty again to the Venture Capital Expert Panel and were appointed again by Jim Flaherty in, I think, 2014 to the Venture Capital Expert Panel. I assume all of those were panels and advisory positions and that they were not making funding decisions. Is that correct?

**Ms. Annette Verschuren:** That's correct.

**Mr. Ryan Turnbull:** Were you ever accused of being a Conservative insider for your appointments and your service on any of those advisory panels or councils?

**Ms. Annette Verschuren:** No.

**Mr. Ryan Turnbull:** Okay.

I know my colleague has already mentioned that you have donated, quite a number of times, to the Conservative Party. What I'm taking issue with is that I think you have, at least to some degree,

owned up to the mistakes you've made and have expressed that you regret that you didn't recuse yourself when you should have. I would say that you ought to have known. I believe you ought to have known that you should have recused yourself, because that's in the conflict of interest code that you were supposed to abide by. In essence, you were responsible, as the board chair, and I think you've expressed some regret.

However, what I take issue with is the Conservatives calling you a Liberal insider, which I don't believe is the truth. I believe that you've shown yourself to have donated to the Conservative Party and you have been appointed for many years and have served under quite a number of Conservative leaders in this country. You donated \$1,675 to the Jean Charest leadership campaign, as did Mr. Perkins on this committee, and I wanted to ask you whether you were as much of a Conservative as Mr. Perkins, and/or as Liberal as him.

**Ms. Annette Verschuren:** Mr. Chair, I've never been associated with any party. The public offices that I've held and the responsibility that I held during my career... I made the decision never to be associated with a party, and so I leave it at that.

**The Chair:** Thank you.

[*Translation*]

I'm going to go back to the motion presented by Mr. Garon. It has been translated and distributed in both official languages to members of the committee. Everyone has had a chance to read the wording of the motion.

Mr. Garon, if you have no further comments, we can debate the motion. However, maybe I'll let you—

**Mr. Jean-Denis Garon:** If I may, I'll just comment briefly on the motion. I know that time is precious and everyone received it in writing. I apologize regarding the process and, next time, if there is a next time, I will try to send my motion in both official languages.

It's simply a motion asking the Auditor General to provide us with a list of companies that allegedly received money from SDTC in violation of the law and ethical rules. The Standing Committee on Public Accounts passed a motion with similar content. I think it's important that the Standing Committee on Industry and Technology pass one as well, since the Minister of Industry obviously reports directly to the committee.

I'd like to add just one point that I think is important. In all of the events that cropped up around SDTC, it's important to remember that the green transition is important, that government investment is needed and that the green transition is a public good.



As I already said to some of the witnesses we heard from, I think that part of the tragedy of SDTC—apart from the fact that we may have significantly undermined public confidence in the use of taxpayers' money—is that we had to freeze the funds of companies that had a positive impact on our communities and our economy. We hampered the green transition. I think some companies will have to make repayments based on objective criteria. In my opinion, it's only fair to suggest that the Auditor General provide us with a list of the companies involved. It should also be pointed out that companies not at fault are protected from this process.

• (1810)

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

The floor is open. Mr. Masse has the floor, followed by Mr. Turnbull.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair, and I thank my colleague for bringing forward this motion.

There's no need to apologize. This has been a long and difficult issue that we've been dealing with, and now other committees in Parliament have been dealing with it. I actually do appreciate the motion, because he is correct.

Unfortunately, part of the victimization includes a couple of things that I still want to see concluded—namely, to have the full restoration of compensation for employees and whistle-blowers. The confidentiality agreements and non-disclosures that they were forced into should be torn up at some point in time. We're just looking for the appropriate vehicle to be able to do that. With this motion, that wouldn't be appropriate, because it deals specifically with the Auditor General.

I think it's a very responsible motion, because it uses that third party of the Auditor General, and not the committee or Parliament. Going line by line through the different types of businesses is important, because we want it to be objective and independent. Many parliamentarians and Canadians have full confidence in the Auditor General process. I think that the mover's use of the Auditor General in this motion is actually very wise.

I will just conclude that we do not want to lose the opportunity for the good companies to be able to get the appropriate supports that they deserve for greening the economy. We need innovation and we should weed out the ones that didn't really receive these supports responsibly, so they can maybe return that money to make a better investment.

With that, New Democrats will be supporting this motion, and I thank the mover for putting it forward. It's straightforward, it's simple, and it separates the objective of Parliament by looking for accountability through the practical element of having the Auditor General as a third party to decipher exactly how to go about the next stage. I think that's a very wise way of approaching it.

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

Next we have MP Turnbull.

**Mr. Ryan Turnbull:** As I read this, I have a number of issues that come up for me with regard to this motion. I'll quote from it, and then I'll tell you what I think.

One issue is around "the Committee declares that it is of the opinion that the offending companies".

First of all, I'm not sure: Did the companies actually offend, or was it the board members who offended? They're the ones who are said to have contravened the code of conduct. It's not necessarily the companies. There are many companies that may be in the portfolio that SDTC funded for which the funding was merited and the due diligence was done, or there could be, anyway, from my perspective. I remember reading quite a lot of extensive information in numerous reports about how much due diligence was done at the organizational level within the organization for the board to eventually approve funding decisions.

Who are we asking to make the determination of who acted in bad faith versus who acted in good faith? How are we to know that? We're asking the Auditor General to do that work. We're asking them to determine it. The Auditor General's already done an investigation and hasn't been able to determine that. They've determined that there were conflicts of interest perceived, and the commissioner—I'm using his words—said there was "a technical violation". We could disagree about that; maybe some people feel that there was more than a technical violation. I agree that Ms. Verschuren and some of the other board members ought to have known that they should have recused themselves, that it was their responsibility to be aware of what's in the conflict of interest code, 100%, but they've also all lost their positions. Is that sufficient? I don't know whether you guys feel like that's sufficient.

When I look at this, who is going to determine who acted in bad faith? Are we now saying that the Auditor General has to do an investigation of every single company to determine who acted in bad faith? I'm not sure that the Auditor General would be able to make that determination. I'm not sure what you guys think, but that seems to me to be asking a lot of the Auditor General. Then you're asking them to report who acted in bad faith and then recoup funds, right? That's what the gist of this motion includes.

I'm not sure whether the Auditor General.... That's making a lot of demands on the Auditor General, who's supposed to operate independently. We're not supposed to be giving direction to the RCMP and we're not supposed to be giving direction to the Ethics Commissioner. We can lodge complaints, and they investigate if they see fit to do so. The RCMP, the Auditor General and the Ethics Commissioner are independent officers who are supposed to do their work independently of us, so if we're now telling the Auditor General that they've got to do a determination, I think we're overstepping our role in Parliament. Convince me otherwise.

The other thing that I would take issue with is the part that says, "the government's laxity in implementing the SDTC program".

I take issue with that, Mr. Garon. I don't believe that there is laxity on behalf of this government at all. The SDTC is an arm's-length organization; it's independent and it's been operating for very many years, so to what degree is the government of the day responsible for oversight of that? You and I will argue about that, then, for the rest of the meeting, so let's go. Fine; let's argue about it for 10 meetings. I don't care.

I don't agree, and I'll make arguments to the contrary of what you're going to say. I don't believe that the government has been lax on SDTC at all, and I will defend that.

Thank you.

• (1815)

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

I have Mr. Garon, but I'll just volunteer one small comment.

If I read the motion correctly, it “proposes that the Auditor General” and “that the committee is of the opinion”, so it's not very binding as a motion from my reading of it, in terms of the added burden. That's just my two cents on this.

[Translation]

Mr. Garon, you have the floor.

**Mr. Jean-Denis Garon:** Hearing Mr. Turnbull filibuster an opposition motion when we're used to hearing him filibuster his own bill is a bit of a change.

All joking aside, the committee and Parliament have no place telling the Auditor General what to do. That's exactly the spirit in which the motion was drafted.

We suggest that the Auditor General provide us with a list. Does she have to comply with the motion? The answer is no, but she will know that Parliament and the committee want to find out more about the situation. At some point, it becomes difficult to draft a motion like this. In fact, this is the most consensus-driven way of doing it.

As for everything our colleague Mr. Turnbull said, I would say that, from the outset, if I'm not mistaken, the Standing Committee on Public Accounts unanimously passed a motion calling for certain sums to be reimbursed by the minister within 100 days. There is therefore a presumption that certain companies may have received some of this money. The Liberals agree with this presumption, as do the Conservatives and the New Democrats, if I'm not mistaken.

Earlier, the Conflict of Interest and Ethics Commissioner mentioned that Minister Bains did have certain tools at the time that enabled him to avoid this type of situation. These tools did indeed exist. Did the minister have this information? Did he have any reason to use those tools? It remains to be seen.

That said, absolutely nothing in this motion binds the Auditor General or condemns the government in advance. If the Auditor General were to consider the motion, which is non-binding—and if Mr. Turnbull happens to be right about the government being absolutely diligent in its dealings with SDTC—I don't see why the governing party would have any reluctance whatsoever in supporting

such a motion. It would be hard to understand. When you have nothing to hide, you open the books.

Thank you, Mr. Chair.

• (1820)

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

Mr. Turnbull, you have the floor.

[English]

**Mr. Ryan Turnbull:** I would argue that we've done that from day one. I have a list here—it's a page and a half—of all of the interventions and the work our government has done to get to the bottom of this and expose all the facts in this particular case. It has all the collaboration we've had with independent officers. There's nothing to hide at all.

I can't in good faith support a motion that includes the point that says, “the government's laxity in implementing the SDTC program”. Essentially, I would have to agree with that statement, and I don't agree with it. I don't believe the government has been lax. I believe that as soon as we found out about allegations of mismanagement and misconduct, we acted, and I stand by that. If I believed otherwise, I would say so. I really do believe we acted quickly and were forthcoming in collaborating with all of the independent experts and groups.

If you take that out, I think we could support it.

Again, the fact that it's proposed to the Auditor General is noteworthy and it makes me feel a bit more comfortable.

[Translation]

**The Chair:** Mr. Masse, you have the floor.

[English]

**Mr. Brian Masse:** I think we all want to get results for this at the end of the day, so I'm prepared to move the motion to remove that component. If a Liberal isn't willing to do it, then I'll do it, because I want to see us get this through and get some results.

**The Chair:** Okay. Mr. Masse, can you clarify what the motion would be?

**Mr. Brian Masse:** Unless Mr. Turnbull wants to propose.... Why don't you propose what you're thinking about?

**Mr. Ryan Turnbull:** I'm thinking on the spot here. It says the committee “believes that companies that acted in good faith should not be penalized”. Cut out “for the government's laxity in implementing the SDTC program and allocating funding”. If you want to take that clause out, I think we can probably support it.

**The Chair:** We've heard Mr. Turnbull's proposed amendment. I'm not sure if it's Mr. Masse's or Mr. Turnbull's proposed amendment, but let's say it's Mr. Turnbull's for clarity's sake.

Is there a consensus around the table, or should we put it to a vote?

You've all heard what's being proposed by Mr. Turnbull for the amendment to the motion.

(Amendment agreed to: yeas 7; nays 4 [*See Minutes of Proceedings*])

**The Chair:** The amendment passes, which brings us back to the motion as amended.

• (1825)

[*Translation*]

Any other comments on the motion as amended? Very well.

We will now vote on the amended motion.

(Motion agreed to: yeas 11; nays 0)

**The Chair:** Wonderful, the motion passed unanimously. It's a fine demonstration of consensus.

The meeting is drawing to a close. It's already 6:26 p.m. Thank you, colleagues.

We will therefore see each other on Thursday morning to resume our study of Bill C-27.

[*English*]

**Mr. Rick Perkins:** [*Inaudible—Editor*]

**The Chair:** It's 6:26, and the meeting is ending at 6:30 p.m. I would have to split it among four; for a minute, I don't think it's worth it, Mr. Perkins.

On that note, colleagues, I'll see you on Thursday.

The meeting is adjourned.

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