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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Wednesday, April 28, 2010**

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**Chair**

**Ms. Yasmin Ratansi**



## Standing Committee on Government Operations and Estimates

Wednesday, April 28, 2010

• (1530)

[English]

**The Vice-Chair (Mr. Chris Warkentin (Peace River, CPC)):** We'll call this meeting to order. This is the thirteenth meeting 13 of the Standing Committee on Government Operations and Estimates. Pursuant to Standing Order 108(3)(c), we are undertaking a study on the renewable energy projects funded by the government.

Good afternoon, members of the committee. This afternoon we have a couple of things to do. We're going to begin with the study. We do have before us this afternoon Mr. Gillani, chief executive officer of International Strategic Investments.

We will now undertake to hear your testimony, Mr. Gillani, and then we will undertake rounds of questioning. We'll now turn the floor over to you for five to ten minutes for your opening statement.

**Mr. Nazim Gillani (Chief Executive Officer, International Strategic Investments):** Mr. Chairman, I've come here voluntarily to testify and fully cooperate with the committee. I request to be sworn in as an indication of my support.

**The Vice-Chair (Mr. Chris Warkentin):** Is that the will of the committee? Do we have full support, full agreement, that we will undertake that?

**Some hon. members:** Agreed.

**The Vice-Chair (Mr. Chris Warkentin):** The clerk will now undertake that.

**Mr. Nazim Gillani:** Honourable members of Parliament, ladies and gentlemen, my name is Nazim Gillani. I was born on March 18, 1967, in London, England; I emigrated to this country in 1974, and I am the CEO of a company called International Strategic Investments, or ISI, for short.

First, thank you for the opportunity to tell my side of the story and answer your questions.

Until April 8, I was a low-profile, medium-sized venture capitalist and financier, and I have been in this business for 23 years.

I would like to state that I am a visible minority. I have seen no sign of prejudice or racism from this committee or anyone else in regard to the matter before this committee.

On Thursday, April 8, 2010, *The Toronto Star* published an article by Kevin Donovan, full of unsubstantiated distortions and innuendo attacking my character. The article referred to Mr. Jaffer and Mr. Glémaud in ways that distorted our business and personal relationships.

Subsequent to the article published on April 8, other media piled on the bandwagon, spreading more inaccuracies and more innuendo, and on Saturday, April 10, 2010, yet another unsubstantiated article in the *The Toronto Star* said that I boasted about being a banker to a biker gang. I said no such thing.

I have provided the committee with a timeline to help you follow what happened from my perspective. On Sunday, April 11, 2010, I put out a statement on Canada NewsWire, which read: "I urge all interested media following my story to carefully examine the reporting, sources/attribution, and fact-checking of Mr. Donovan's articles instead of merely copying and accepting them at face value".

The April 8 article in *The Toronto Star* unleashed a media storm. The swirling tornado of accusations has turned my life into complete mayhem.

I'm here today to answer questions in regard to my involvement with Rahim Jaffer, Patrick Glémaud, and Green Power Generation, or GPG for short.

We first met in August 2009, and I have met Mr. Jaffer on six other occasions since then. I have provided you in advance with relevant documents, which I believe you already have. The services offered by GPG, listed on both the GPG website and Mr. Jaffer's personal website, were what my company, ISI, was interested in.

GPG formalized the provision of those services in a contract with my company. On page 2 of that contract, which was revised by Mr. Glémaud and signed by him, dated September 21, 2009, it states that the "Consultant", that being GPG:

warrants and represents that it is in ongoing dialogue with, and has valuable connections to and with, the government of Canada and various departments, ministries, and wholly or partially owned entities thereof, all for the purposes of providing participatory and non-participatory government funding (and other incentives) as well as ongoing support for various prospective private sector projects, ventures and initiatives...

I would like to draw your attention to that September 21, 2009, date. That was after my initial meeting with Mr. Jaffer at La Castile restaurant. It was after my Harbour Sixty Steakhouse dinner, it was after Mr. Jaffer's arrest by the OPP, and it was after the social dinner with Mr. Jaffer and his wife, then Minister Helena Guergis. This date should be compared to testimony last week, when the principals of GPG said there were no synergies with ISI and that they ended their relationship with me.

Now, it has been noted by many that trying to get access to both funding and government services in Ottawa is a labyrinthine task. I was under the impression that Mr. Jaffer and Mr. Glémaud knew what they were doing with regard to government funding access. There was never any underhanded plan or one that had to do with undue influence. Simply, they said they knew how to negotiate the government maze.

However, they never obtained or got any grants or any money for any company referred by ISI. ISI never paid any money or gave any compensation to them or their company.

Further, Mr. Jaffer and I were to travel to China together on April 13, 2010, yet Mr. Jaffer seemed to state to this committee last week that he ended our relationship months ago. This was untrue.

• (1535)

My first meeting with Mr. Jaffer was on August 25, 2009, at La Castile restaurant. On this date, I sent the e-mail that referred to Mr. Jaffer as the Canadian government money access point, based on my understanding of what he and Mr. Glémaud did for a living. At this meeting, Mr. Jaffer did give out his MP business card in front of me. But he qualified that delivery by stating that he didn't have his GPG cards, and he had a binder with these old ones. He stated that he was not an MP, and he actually crossed out "M.P." on one of the cards and wrote another phone number on it. That's what I saw him do when he met one person at that luncheon.

I would now like to address other allegations against me. Moving ahead to the September 10, 2009 dinner at Harbour Sixty Steakhouse, the reality is that four of us met for dinner: me, Mike Mihelic, Rahim Jaffer, and Dr. Chen. Later that evening, we were joined by Ryan Driscoll and Frank Campanile. Later still that evening, we were joined by my then girlfriend and two of her friends. These women, all of whom have respectable jobs, have been devastated that they were referred to as "busty hookers" by Kevin Donovan in *The Toronto Star*. "Busty hookers" has become the fun phrase to be used in Canadian media, having no regard for what it has done to these three women's lives.

Finally, on the morning of Friday, September 11, 2009, I wrote the now well-known e-mail: "Mr. Jaffer has opened up the Prime Ministers' office to us...". That sentence was mine and mine alone. It was clearly overstated, and I sincerely apologize for my over-enthusiastic statement. There was never, ever any suggestion of direct or indirect access to the Prime Minister's Office by Mr. Jaffer or Mr. Glémaud. Mr. Jaffer was not a recipient of that e-mail.

Next there was a dinner at Sassafras restaurant in Toronto's Yorkville district, held on Saturday, September 12, 2009, during the Toronto International Film Festival. This was a social event, and it is the only time I ever have met former Minister Guergis.

I have never seen Mr. Jaffer use cocaine, be in possession of cocaine, or even speak of cocaine. I do not use cocaine, nor have I ever been a drug dealer.

Another allegation swirling around me has been that I have compromising photos on my cellphone of former Minister Guergis and Mr. Jaffer "partying" with cocaine and prostitutes. I have no such photos. I took no such photos. Those outrageous and untrue

allegations were first published in *The Toronto Star*, and they seem to have made their way to the Prime Minister himself.

I am not being investigated for tax evasion. Please refer to the letter from Canada Revenue Agency in your packages. Those unfounded allegations were first published in *The Toronto Star*.

I am not a money launderer. I do not have any ties to organized or unorganized crime. Those unfounded allegations were first published in *The Toronto Star* and have spread across this country wildly.

I have never been involved with setting up any offshore accounts for Helena Guergis or Rahim Jaffer. I do not own an offshore account myself.

Unfounded and inaccurate information takes on a life of its own. We live in a world where, sometimes, personal responsibility for what is said without proof and then printed is markedly absent. I hope you will see in my short time with you today that I am a very, very strong believer in taking personal responsibility in backing up what I say—my statements.

My business, Mr. Chairman, runs on reputation, personal integrity, and trust. The effect of these allegations on my business has been absolutely devastating. Since April 8, four contracts I have been working on for the past several years have fallen through.

If I may, I would like to briefly return to the e-mail of September 11, 2009. In that e-mail, I also announced to my colleagues that I would be spending four hours meeting my girlfriend's family for the very first time—a big step. "Wish me luck", I wrote. This was the woman I hoped would become my fiancée. That plan, unfortunately, has been derailed as a result of this fiasco.

I welcome your questions, and I thank you very much for the opportunity to speak.

• (1540)

**The Vice-Chair (Mr. Chris Warkentin):** We'll now turn, for the first round of questioning, to Ms. Coady, for eight minutes.

**Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.):** Thank you very much.

And certainly, Mr. Gillani, we appreciate you coming here today and being open and forthright with us.

As you may know, I only have a few moments to ask questions, so because there are so many questions to ask, I would appreciate it if we could keep this direct.

You talked about a contract. I've gotten a copy from the media, actually, of the contract, and it talks about, as you read into the record, "providing participatory and non-participatory government funding" for the purposes of.... Okay?

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** Did they ever report back to you on their efforts to secure government funding?

**Mr. Nazim Gillani:** The only thing that we had done was present Mr. Jaffer and Mr. Glémaud with the Green Rite—Wright Tech proposal.

There's some ambiguity there. Green Rite is the marketing arm, as such, of Wright Tech. So the Green Rite project was actually delivered to a government body for funding, there were comments that came back, and I received e-mail correspondence from Mr. Glémaud outlining what the federal government's request was as far as particular information was concerned.

**Ms. Siobhan Coady:** Could you provide that to the committee?

**Mr. Nazim Gillani:** Absolutely.

**Ms. Siobhan Coady:** That would be great. Thank you.

I just want some clarity here. I think in your written submission you talked about some correspondence between you and Mr. Jaffer and Mr. Glémaud about a company called RLP Energy.

**Mr. Nazim Gillani:** Yes, absolutely.

**Ms. Siobhan Coady:** Are you aware that Mr. Jaffer then submitted that funding request on behalf of RLP to the environment minister's office?

**Mr. Nazim Gillani:** I did not know that he had submitted anything, and as far as RLP is concerned, I would assume that he submitted to me just like he submitted to several others. RLP was a company that was part of the GPG portfolio before he met me.

I met the principal of RLP. I had discussed various initiatives with him, and I almost had the opportunity to bid on a funding with a funder, but RLP was eventually funded prior to my opportunity to do so.

**Ms. Siobhan Coady:** I'm sorry. You said it was eventually—

**Mr. Nazim Gillani:** RLP got funded from somewhere else.

**Ms. Siobhan Coady:** From government, do you know, or from another venture capital...?

**Mr. Nazim Gillani:** I don't know.

**Ms. Siobhan Coady:** You don't know the details.

**Mr. Nazim Gillani:** I do not know.

**Ms. Siobhan Coady:** Okay. Thank you.

Your contract that I was just referring to talks about determining payments on a case-by-case basis.

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** Can you talk about what your understanding was from this? Was it contingency fees, success, whatever...?

**Mr. Nazim Gillani:** Typically when these types of agreements are used in my industry, they're standard when you want to introduce one party to another and don't want to be circumvented by the party that's looking to get funded. So you put an agreement like this together so that you can ensure that at the time something gets tabled, because eventually the funder is going to dictate the terms of the deal.

**Ms. Siobhan Coady:** Okay.

**Mr. Nazim Gillani:** Inevitably, it's who is putting up the money who is going to decide. So on that basis we use these types of agreements, finder's fee agreements, to ensure that when that happens they can't simply circumvent us and do a deal directly with the funder.

**Ms. Siobhan Coady:** Right.

So it's a kind of.... You used term "finder's fee agreements".

**Mr. Nazim Gillani:** I use the term "finder's fee", and so does everybody else in my industry.

**Ms. Siobhan Coady:** So they're success fees or whatever. Okay.

I'm going to talk about Green Rite, because you mentioned Green Rite Solutions. It was a client of yours.

● (1545)

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** Did you discuss Green Rite with Mr. Jaffer? And Madam Guergis, I think, was at a dinner with you.

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** What did you agree to do at that point?

**Mr. Nazim Gillani:** That dinner was completely social. There was not one iota of business spoken at that dinner. It was the first time....

You know, if you meet somebody for the first time at a dinner, on a social basis—

**Ms. Siobhan Coady:** They didn't talk about—

**Mr. Nazim Gillani:** —everybody is couples, there are three couples there, it's completely social. There was no business spoken whatsoever.

**Ms. Siobhan Coady:** Okay.

**Mr. Nazim Gillani:** But as far as Green Rite is concerned, again, Green Rite was brought to me by a gentleman who was at one of the dinners at Harbour Sixty. I immediately signed a finder's fee agreement, which is what I do with anybody to make sure they don't circumvent me, and I introduced Green Rite to Mr. Jaffer and Mr. Glémaud.

**Ms. Siobhan Coady:** It just seems... Within a couple of days of your dinner, Madam Guergis wrote a letter on behalf of the same company.

**Mr. Nazim Gillani:** Yes. I did not know about that letter.

**Ms. Siobhan Coady:** You did not know anything about it.

**Mr. Nazim Gillani:** I did not know anything about that letter.

**Ms. Siobhan Coady:** So you didn't discuss it. It wasn't agreed to.

**Mr. Nazim Gillani:** No.

**Ms. Siobhan Coady:** It was not part of your strategy or anything.

**Mr. Nazim Gillani:** I had no idea that letter was written. It was news to me, and I found out about it when I saw it in the paper.

**Ms. Siobhan Coady:** Around about that same time, and discussing, again, Green Rite, that was submitted to government for some funding through Mr. Jean, the parliamentary secretary to Mr. Baird.

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** Around about the same time, that fateful week or period of time in September—

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** —Mr. Baird and Mr. Jaffer had a dinner. Was that ever, at any point in time, discussed with you?

**Mr. Nazim Gillani:** No. I had no idea.

**Ms. Siobhan Coady:** So you don't know any of the outcomes.

**Mr. Nazim Gillani:** No. I had no idea whatsoever.

**Ms. Siobhan Coady:** You know nothing that occurred. It was not part of what you were doing.

**Mr. Nazim Gillani:** No. I had no idea that Mr. Jaffer met with Mr. Baird at all.

**Ms. Siobhan Coady:** Okay.

In your opening remarks, I think, you talked about the e-mail of September 11—that you were probably overly enthusiastic. Right?

**Mr. Nazim Gillani:** Which is to say the least, but yes, okay.

**Ms. Siobhan Coady:** Okay.

What was the statement based on that made you so enthusiastic?

**Mr. Nazim Gillani:** You know, I was excited. I mean, we had met, we had agreed that we were going to form an alliance whereby they would deal with every company that I brought to the table that had a potential to be funded by government; they would take on and take to the right people.... There was no underhandedness to that.

There are many companies you deal with that deal with specific industries or are better at one industry over another, and you take projects to them and they deal with them. What would have happened after that? I don't know.

**Ms. Siobhan Coady:** Okay.

Did Mr. Jaffer report to you on any other meetings or conversations that he may have had with cabinet ministers or parliamentary secretaries?

**Mr. Nazim Gillani:** No.

**Ms. Siobhan Coady:** So there were three proposals that went forward to Mr. Jean—

**Mr. Nazim Gillani:** The only proposal I know about that went anywhere was the Green Rite proposal, because I was copied on an e-mail coming back with the comments from the federal government. That's it.

**Ms. Siobhan Coady:** And that you're going to provide to the committee?

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** I want to talk about Mr. Prentice. You're saying that you have no knowledge of RPL...RPL Energy?

**Mr. Nazim Gillani:** None. I met with RLP directly as an introduction from Glémaud and Jaffer and I was looking to get it funded through a VC.

**Ms. Siobhan Coady:** Okay.

**Mr. Nazim Gillani:** I had no idea that the deal had been taken anywhere else and I didn't really care. It wasn't important to me.

**Ms. Siobhan Coady:** Yes, okay.

On that information, I believe, there was a contact.... What were your contact e-mail addresses and the phone numbers that Mr. Jaffer

used to stay in touch with you? Was it a parliamentary e-mail address?

**Mr. Nazim Gillani:** No. I believe it was Green Power Generation, Rahim Jaffer. Again, I've made it clear to the committee that originally I was going to show up here with every piece of correspondence, from day one when I met him to now, to ensure that there was complete disclosure. If there's anything the committee would like in regard to that, I'd be happy to provide it.

**Ms. Siobhan Coady:** Okay, if you would be so kind—

**Mr. Nazim Gillani:** Absolutely.

**Ms. Siobhan Coady:** —because there are some holes in your written submission, and if you could provide the committee with documentation referred to in your timelines, including copies of correspondence that you have, that would be wonderful.

**Mr. Nazim Gillani:** Yes, I would be happy to do that.

**Ms. Siobhan Coady:** I really appreciate that. Thank you.

According to your timeline as well, you participated in a conference call with Mr. John Mogford, I think his name was, and others in November of last year. My understanding is that those individuals represent Renewable Energy Group. Are you aware that Mr. Jaffer submitted a funding request on behalf of this company to the infrastructure minister?

**Mr. Nazim Gillani:** No. My conference call with them was directly linking to a VC that I had interested in this technology. We wanted to verify and do a due diligence call with these individuals. I believe Gunner Couce is the CEO or the president of that company.

**The Vice-Chair (Mr. Chris Warkentin):** You have 30 seconds.

**Ms. Siobhan Coady:** Your written submission states that on September 17 you received an inquiry from the federal officials, and that's what you were going to.... What was the gist of that government interaction, so that we can—

**Mr. Nazim Gillani:** Can you repeat that? I didn't hear you.

**Ms. Siobhan Coady:** We talked about the correspondence that was between you and the government and Mr. Jaffer and the government with regard to...I think it was Wright Tech.

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** And you're going to provide that to committee, but can you just tell us the gist of it?

• (1550)

**Mr. Nazim Gillani:** Sure. There was no correspondence between me and the government. It's all correspondence between GPG and the government. I believe it was Patrick Glémaud.

Mr. Glémaud contacted whoever it was but just sent us back the actual federal government requests for information. There were several questions in regard to Green Rite that were sent to Patrick, that were sent to our office and copied to Jim Wright. So we made sure that we got them to respond to all the questions.

**Ms. Siobhan Coady:** And that was sent—

**The Vice-Chair (Mr. Chris Warkentin):** Ms. Coady, your time has expired, but there will be another round.

Mr. Guimond, you have eight minutes.

[Translation]

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Thank you, Mr. Chair.

Mr. Gillani, you said in your statement that you met seven times with Rahim Jaffer, I believe. Is that correct?

[English]

**Mr. Nazim Gillani:** It was six, and the first time—yes, seven; that's correct.

[Translation]

**Mr. Michel Guimond:** How did you meet?

[English]

**Mr. Nazim Gillani:** I was introduced by my cousin. His name is Aleem Lakhani. He's a Harvard graduate who works for a company called AmTrust Financial, and he has recently also made an article available to Mr. Donovan, so you know, our relationship is also over as a result of this.

[Translation]

**Mr. Michel Guimond:** What services did Mr. Jaffer offer?

You knew that he had been a Conservative MP as well as chair of the National Conservative Caucus?

[English]

**Mr. Nazim Gillani:** Yes. I did. He and Patrick said that they could, again, take any company that we gave them that had potential, as far as viability to them first, so you'd qualify that first level of degree of looking at a deal and making sure that they liked it. Then they would take it to the necessary government body that potentially could fund it; maybe there was a program that was specifically designed for that type of project.

They would deal with all of the work from the day we gave it to them and they liked the project to taking it through the government maze and figuring out whether there was an opportunity to get funding.

[Translation]

**Mr. Michel Guimond:** When you refer to the government maze, I suppose you refer to obtaining help to get information on government programs, don't you?

[English]

**Mr. Nazim Gillani:** They were going to deal with everything, right? That's why we went to Green Power.

[Translation]

**Mr. Michel Guimond:** One might say...

[English]

**Mr. Nazim Gillani:** We wanted an intermediary to be able to go and deal with government.

[Translation]

**Mr. Michel Guimond:** Yes, I understand, but that includes opening some government doors and meeting with decision-makers. He was probably not offering to...

[English]

**Mr. Nazim Gillani:** If they could do that, that would be something they would do on their own, because again, as I said, there's no underhandedness or undue influence here. This was based on the fact that they understood government. They understood who to take the projects to, not on the basis of doing anything under the table or outside the law or outside any sort of structured basis.

[Translation]

**Mr. Michel Guimond:** I am referring to opening the doors of decision-makers, to meeting with parliamentary secretaries or ministers. You knew that Mr. Jaffer had a privileged relationship with Prime Minister Harper. You were aware of that, were you not?

[English]

**Mr. Nazim Gillani:** Sure, sure, I knew that he was a former caucus member or the head of the caucus. I knew that he had a 12-year career as an MP, but I wasn't expecting him to open doors to specific government members or anything else. I wanted an intermediary who understood the maze of government—to figure out how to get an application into the right place and get it assessed. Simple.

[Translation]

**Mr. Michel Guimond:** What do you mean by the “government maze”? You do not need someone like Rahim Jaffer to do that.

[English]

**Mr. Nazim Gillani:** I'll give you an example. Recently I lost my wallet, so I had to go and get my citizenship card replaced. To me, getting on the government site to get my citizenship card was a government maze. That's my example.

You can get so frustrated with the amount of requirements, the number of things that you need or you don't need, and talking to people on the phone. It can get very frustrating. So from my standpoint, if I had someone who knew who to go to and deal with to get my citizenship card, I would have done that, too.

[Translation]

**Mr. Michel Guimond:** Let us dig in a little more. After the meeting of September 10, you sent an e-mail stating that Mr. Jaffer could open the doors of Prime Minister Harper's office. You do not deny sending that e-mail, do you?

• (1555)

[English]

**Mr. Nazim Gillani:** I do not deny that. I sent it.

[Translation]

**Mr. Michel Guimond:** Very well. However, through your spokesman, Mr. Brian Kilgore, you stated that you went too far, that you were too enthusiastic and that those words were not appropriate. Today, in hindsight, you admit that this is true. You believed that Rahim Jaffer could open Prime Minister Harper's door for you. Is that correct?

[English]

**Mr. Nazim Gillani:** Well, I've said that I was way over-enthusiastic. I don't know how to say this. I've said, "Sorry, it was my fault." It was an awful choice of words. I should never have said it, but it was a genuine mistake. It came from being excited. He was a former caucus member. The Prime Minister is a Conservative. He was a Conservative.

I got carried away. It was a stupid thing to do, but I did it, and I'm taking responsibility for it. There was no wrongdoing on Mr. Jaffer's part whatsoever.

[Translation]

**Mr. Michel Guimond:** In your e-mail, you referred to a repeated commitment from him. The committee has a copy of that e-mail. What did you mean exactly when you alluded to a "repeated commitment" from Rahim Jaffer?

[English]

**Mr. Nazim Gillani:** Where did I say "repeated commitment"?

[Translation]

**Mr. Michel Guimond:** It is in the e-mail that you admit having sent, the one where you said that Mr. Jaffer could open the doors of the Prime Minister's office. In that e-mail, you also refer to a repeated commitment from him. What did you mean?

[English]

**Mr. Nazim Gillani:** I have the e-mail. I don't remember reading anywhere that it said "repeated commitment". Would you like to point that out to me? I can pass it to you if you like.

[Translation]

**Mr. Michel Guimond:** I will come back to that.

You said that you were too enthusiastic. In what sense do you think that you went too far?

[English]

**Mr. Nazim Gillani:** I was excited, and it was not what I should have said, obviously.

[Translation]

**Mr. Michel Guimond:** Your excitement did not come from understanding how to operate in the government maze but more from the fact that someone could open the doors of Prime Minister Harper's office for you. If we were to tell that to someone walking on Sparks Street, they might be excited. Is that why you were excited?

[English]

**Mr. Nazim Gillani:** I've said this over and over again; I said that someone who could work through the government maze, yes; open the Prime Minister's Office, no. I said that. It was my fault.

[Translation]

**Mr. Michel Guimond:** You signed a contract with Rahim Jaffer, did you not?

[English]

**Mr. Nazim Gillani:** With his company, yes.

[Translation]

**Mr. Michel Guimond:** Based on your spokesman's statement, you are someone who keeps his files. Would it be possible for you to send us more detailed documents?

[English]

**Mr. Nazim Gillani:** I've said I would provide this committee with every single document I have from the day I met him until today: every single document, every single piece of correspondence—

[Translation]

**Mr. Michel Guimond:** Could you provide the committee with specific and detailed information on the steps taken by Mr. Jaffer?

[English]

**The Vice-Chair (Mr. Chris Warkentin):** Just give a short answer. The time has expired.

**Mr. Nazim Gillani:** Again, I go back to the contract that was signed, which says exactly what they were going to do. I keep saying that they were going to deal with any company that we brought them and take it to the right government body to assess whether or not they were viable—by the government.

**The Vice-Chair (Mr. Chris Warkentin):** Thank you, Mr. Guimond.

We are going to turn it over to Monsieur Gourde for eight minutes.

[Translation]

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you, Mr. Chair.

Mr. Gillani, your company needed specialized services and you hired his company. Have you ever hired other companies previously? You have been in business for 23 years, I believe.

[English]

**Mr. Nazim Gillani:** Sir, I can give you some background on myself. My father founded a company called Xantrex Technology. It's one of the largest underwritings ever done in Canada by RBC. The symbol on the Toronto Exchange was XTX. I grew up, obviously, around my father. He taught me a lot of stuff with regard to government funding, but he never needed an intermediary. I dealt with my dad. My dad taught me a lot of the manners in which to submit funding applications to the WED, etc. IRAP is an example.

I'm familiar with standard programs, but to me it would be much easier.... It's not my cup of tea. I don't want to spend my time trying to get through all of the nuts and bolts of how a company works and what their financials look like and everything else to submit something to the government and have it assessed. I would much rather find an intermediary.

So as far as ISI is concerned, we have never applied for government funding in the last five years for anything, specifically for that reason: because it is too complicated, takes too much time, and in my mind, is too cumbersome a process.

● (1600)

[Translation]

**Mr. Jacques Gourde:** You referred to the past five years but, previously, had you ever hired other consultants to help you get financing?



[English]

**Mr. Nazim Gillani:** Yes, I've probably used U.S. consultants for U.S. government bodies that have programs, because most of the companies I deal with are U.S.-based versus Canadian. Obviously the Canadian government has a tendency to want to fund Canadian companies, but the majority of my work was in the U.S. up until two years ago.

[Translation]

**Mr. Jacques Gourde:** Had you used Canadian consultants before the past five years?

[English]

**Mr. Nazim Gillani:** No, not personally.

[Translation]

**Mr. Jacques Gourde:** Were you aware that after the sponsorship scandal the government had passed a Responsibility Act? The party in power at the time still owes \$39 million to Canadians. Where you aware of the Federal Responsibility Act?

[English]

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** I have a point of order, Mr. Chair.

It's on the relevance, Mr. Chair.

**The Vice-Chair (Mr. Chris Warkentin):** I'll hear the point of order.

**Mr. Marcel Proulx:** Thank you, Mr. Chair.

I'm questioning the relevance of the member's comments. He is questioning a witness here. The witness is very open. The witness has given us documents, he has given us a list of timelines, and so on and so forth. I think the member should refer to today's participation by the witness in regard to the file we are looking at.

Thank you.

**The Vice-Chair (Mr. Chris Warkentin):** I believe he was asking specifically as it relates to the Federal Accountability Act. I'll let the member proceed with that question. Of course, let's keep to the relevant topic at hand, but certainly I don't see there being an issue with Federal Accountability Act questions being brought forward.

**Mr. Marcel Proulx:** With that part, I agree.

**Mr. Nazim Gillani:** I was not aware of that. I'm not a big handbook on the Federal Accountability Act or the Lobbying Act—not until three weeks ago. Obviously I've heard a lot about the Lobbying Act and the Federal Accountability Act ever since this scandal broke.

To be brutally honest with you, I was completely unaware of the Lobbying Act or the Federal Accountability Act, or what had to be done or what didn't have to be done, before this happened.

[Translation]

**Mr. Jacques Gourde:** So, Mr. Gillani, you support the legislation implemented to avoid any repetition of the past events?

[English]

**Mr. Nazim Gillani:** Absolutely.

[Translation]

**Mr. Jacques Gourde:** I shall give the rest of my time to Mr. Brown.

[English]

**Mr. Patrick Brown (Barrie, CPC):** Thank you.

I do think it's very important that Mr. Gourde referenced the theft of \$39 million, because it is in the context.... It's the very reason we have the Federal Accountability Act: as a response to that. So I think there is a zero tolerance attitude with this Prime Minister and this government towards lobbying, towards lobbyists who aren't registered appropriately. That's why we have questions about whether it was expressed, whether it was asked, if Mr. Jaffer was a registered lobbyist.

On that note, Ms. Coady referenced success fees. I want to touch upon that a little bit further and on whether you knew that under the Lobbying Act they are prohibited. Actually, it was this government that created the Lobbying Act, with a budget of \$4.6 million to pursue this. People can actually end up in jail; people can end up with serious fines if they breach it. That's how sacred these laws are.

I want to know if success fees are something that was ever discussed. It's very relevant right now, I think, that the government is recuperating in one case, the Dingwall case—I think it's officially the Wallding case—a success fee of \$350,000 paid to someone who lobbied inappropriately.

Were any success fees talked about and are you aware of the gravity of these allegations?

● (1605)

**Mr. Nazim Gillani:** Well, I'm aware of the gravity of the allegations now. I wasn't then.

As to success fees, you have to understand the kind of relationship.... I mean, I am of the same religion as Mr. Jaffer, which means that we have a community tie. There's an inherent trust that comes from having a community tie. For anyone I met who was of the same religion, I would immediately assume them to be trusting, trustworthy, and trustful. As a result of that....

One of the things that I mentioned was Green Rite, as an example, or RLP as another example, companies that we worked on somehow, in some way, together, yet you couldn't find a piece of paper that says I get anything out of any involvement with RLP with Mr. Jaffer or GPG. There's a certain amount of trust that comes here.

Everybody expects that you have to build a relationship with an individual and build a bit of a relationship to get to the point where you can build a company and get it to the point it needs to reach. In all fairness, I'm saying that this guy's of my religion; he's in my community. There's an inherent trust that comes with that so I don't need to have a signature on a document to show that he's going to pay me if I give him a good deal or if I get a deal that comes to him, etc.

But there were no success fees, as you call it, no. But there's an agreement, which you have in front of you, that says quite clearly that if something came to fruition, a deal would have to be put in place in writing.

**Mr. Patrick Brown:** And that's the concern. Regardless of community ties, if Mr. Jaffer had presented the expectation to you, or if you had presented the expectation to him, that's in direct contradiction to what this government has aspired to in terms of having the strictest possible lobbying laws in the world.

So did this suggestion come from Mr. Jaffer or was this suggestion something that you just—

**Mr. Nazim Gillani:** I would say the suggestion actually came from me.

**The Vice-Chair (Mr. Chris Warkentin):** Just give a short answer.

**Mr. Nazim Gillani:** Sure. It was me who said that we will deal with this at the time when a deal came into play. I did that, not Rahim.

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Martin, we'll give you the floor for eight minutes.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Thank you.

Thank you, Mr. Gillani, for being here and for being so cooperative and for your honesty with us. I appreciate the willingness you've shown to help us with this.

I, too, am concerned, though. What jumps off the page with this contract is, first of all, that we didn't know such a contract existed, based on the testimony we got from Mr. Jaffer. He certainly led us to believe that his contact with you was cursory at best, and brief, and that no such plans for future business were in the works at all. So thank you for correcting that.

But this idea of a finder's fee does worry me. From Mr. Jaffer's point of view, he should certainly know better—that lobbying with the intent of a reward later, as part of a success fee or finder's fee, is illegal, plain and simple.

**Mr. Nazim Gillani:** I can't comment on that because I'm not an expert, and I can't tell you about the Lobbying Act or the Federal Accountability Act.

You're the MPs. I'm here to give you what happened, to show you what the paper is all about, and try to—

**Mr. Pat Martin:** You didn't know much about the Lobbying Act, but how are you on the Criminal Code?

The Criminal Code prohibits influence peddling by anyone who has or pretends to have “influence with the government or with a minister”. The application of this provision is limited to those who have or pretend to have a significant enough connection to government so they can affect the government's choice or decision.

Did Mr. Jaffer and/or his cabinet minister wife lead you to believe, or any client of yours to believe, that he had significant enough connection to government that he may affect a government's choice —

**Mr. Nazim Gillani:** No.

**Mr. Pat Martin:** —or decision?

**Mr. Nazim Gillani:** No, not at all.

**Mr. Pat Martin:** Well, what did you need Mr. Jaffer for, if not for his connections to government?

**Mr. Nazim Gillani:** What does the company exist for, then? Does every company that deals with government influence-peddle?

**Mr. Pat Martin:** Why would you need to share whatever venture you were in with Mr. Jaffer?

**Mr. Nazim Gillani:** Well, I've said that I wanted an intermediary to be able to deal with the maze of government. You can do that legally, can you not?

**Mr. Pat Martin:** But actually in the contract you cite, it says—and I think you read part of it—“The Consultant warrants and represents”, which means attests—

**Mr. Nazim Gillani:** Yes.

**Mr. Pat Martin:** —“that it is in ongoing dialogue with, and has valuable connections to and with, the government of Canada and various departments, ministries...”. Does that not say to you that you went to him because he has a special connection to or influence over policy-makers?

• (1610)

**Mr. Nazim Gillani:** Well, I mean, to me that says that he has ongoing business with the government and that he may have built up relationships, but that's his business. You can't hold me accountable for what somebody else has said they—

**Mr. Pat Martin:** No, sir, we aren't. We're actually grateful for the information you're giving. It's actually Mr. Jaffer who may or may not, but we believe is—

**Mr. Nazim Gillani:** Sure, and Mr. Glémaud is an attorney, correct? He served with the justice department. This contract went to him. I'm going to provide you with all the correspondence, which will show you that Mr. Glémaud came back with the revisions. So he reviewed this document, made changes to it, and then delivered what he wanted to have signed to our counsel.

**Mr. Pat Martin:** And then denied it ever existed, essentially, to us. Again, this is not your problem. This is our problem. We feel that we were lied to at the last committee, and it puts us in a foul mood, frankly.

**Voices:** Oh, oh!

**Mr. Nazim Gillani:** Yes.

**Mr. Pat Martin:** Would you agree that the main service or the main commodity that Mr. Jaffer has to offer not just you, but other clients, is his access to government money and his influence over the policy-makers or the public office holders who distribute that money?

**Mr. Nazim Gillani:** I think anybody who knows Mr. Jaffer knows that he doesn't really have any influence over policy-makers.

**Mr. Pat Martin:** Then why would you choose his company to get into a venture with as opposed to someone else who has more experience?

**Mr. Nazim Gillani:** He is Ismaili. He is of the same religion as me. He was introduced to me by somebody I trusted.

**Mr. Pat Martin:** But there are 6,000 registered lobbyists in Ottawa. You could have chosen any one of them.

**Mr. Nazim Gillani:** Sure, but this is the one who came to me through somebody I trust. Doesn't a lot of this happen every day where you end up doing business with somebody you meet through someone you trust? Aren't a lot of things happening based on referral, versus there being 6,000 out there, so go pick the biggest or the smallest or whatever?

This came through my cousin. It's a relative who introduced me to him and said he has this business and this is what he's doing. We weren't looking to do anything offside at all.

**Mr. Pat Martin:** Would you say this is a fairly boilerplate kind of contract that you'll get into regularly with somebody you're starting to work with?

**Mr. Nazim Gillani:** No, this is an agreement that came between Glémaud and our in-house counsel. I didn't even—

**Mr. Pat Martin:** I think you did say that it's quite normal to enter into—

**Mr. Nazim Gillani:** I said finder's fee agreements, right?

**Mr. Pat Martin:** I see.

**Mr. Nazim Gillani:** Finder's fee agreements are standard, and I can show you those, but a finder's fee agreement is not necessarily this agreement.

**Mr. Pat Martin:** In a normal finder's fee agreement, let's say Jaffer is not even involved, but in your experience in developing other companies—

**Mr. Nazim Gillani:** Sure.

**Mr. Pat Martin:** —let's say this individual finds a million dollars to bring to the deal. What would be a percentage?

**Mr. Nazim Gillani:** In a finder's fee agreement, it would say anywhere from 3% to 10%, depending on the project. Typically if you sign a non-circumvention finder's fee agreement, which is standard, it's 3% to 10%.

**Mr. Pat Martin:** So if Mr. Jaffer asked the Government of Canada for \$135 million, if he came to you and asked for 10% of that as a finder's fee, would that have been out of line?

**Mr. Nazim Gillani:** You'd have to talk to the company. The company that was getting funded would be the one that would decide, right? But I understand what you're saying.

**Mr. Pat Martin:** You would have been a partner in all of this. If his cut of \$135 million worth of government funding would be about 10%, maybe that explains his interest in an offshore bank account.

**Mr. Nazim Gillani:** I'm not going to....

**Mr. Pat Martin:** Where did that rumour come from?

**Mr. Nazim Gillani:** It came from the same place every rumour came from: Mr. Snowdy.

**Mr. Pat Martin:** I think you've been forthright and answered a lot of the questions I had, but—

**Mr. Nazim Gillani:** Yes.

**Mr. Pat Martin:** —did Rahim at any time lead you to believe that his connections with the government would be helpful enough to further your business interests or those of your client?

**Mr. Nazim Gillani:** No. We were looking for someone who knew which businesses and which applications should go to which

departments, and which projects were viable based on government criteria. Knowing what I know now and what I've been through, I would have done this myself. I certainly would have gone and done the homework and done the research myself. I could have figured out the criteria for any given fund and figured out whether a company had the right criteria to meet the government's requirements.

**Mr. Pat Martin:** Frankly, you could have hired the best and highest-paid lobbyists in Ottawa for a lousy \$600 an hour, never mind 10% of \$100 million—

**Mr. Nazim Gillani:** There's a lesson there to be learned, right?

**Mr. Pat Martin:** —and they would have been doing it legally and it would have been registered and we wouldn't be having these meetings.

Mr. Gillani, I don't know. You can understand that we find it hard to believe that a business person with your experience wouldn't have some cursory knowledge of the laws surrounding lobbying. You're well educated. You come from a second generation of venture capitalists. Surely you or your partners have approached some level of government in the past for some help with some project, have you not?

• (1615)

**Mr. Nazim Gillani:** We haven't, and that's the point.

**Mr. Pat Martin:** You never have.

**Mr. Nazim Gillani:** My father—

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Martin, your time has expired.

You have just a moment for a short answer.

**Mr. Nazim Gillani:** As I said, my father had some dealings with the government based on his involvement, and I learned a little bit from him as far as process goes, but I deny you'll find anything with my name on it with any government body anywhere. I have never done it. I didn't know about the Lobbying Act, and to be quite honest, as a venture capitalist, government takes too much time and too much effort. It's easier for me to sell a deal to a VC than it is to go and try to get the necessary work done from a government body. That's honest.

I found a guy here who said, hey, he'd deal with all that for me, nothing underhanded, nothing unduly...or whatever. I had a guy who would go deal with it, so I wouldn't have to. What a wonderful deal.

**The Vice-Chair (Mr. Chris Warkentin):** Ms. Mendes, we'll turn it over to you for five minutes.

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Gillani. I would advise you to put your little earpiece back on.

[Translation]

Let us come back to Wright Tech. We all find it a bit difficult to believe that Mr. Jaffer and Green Power Generation would not earn anything for the work they were doing for you or for any other client. If the government had provided funding for those projects, how did you intend to reward or compensate Mr. Jaffer and Mr. Glémaud for their work?

[English]

**Mr. Nazim Gillani:** First of all, as far Green Rite is concerned, I'm sure you've read the reports that say Mr. Wright of Green Rite has said he never did anything with anybody and, as well, doesn't acknowledge any lobbying as such. But with us, originally, I thought we had a finder's fee agreement completed with Green Rite, and that's all I thought we had; my understanding now is that we don't even have that. There was an acknowledgment between our in-house counsel and a gentleman at Green Rite who was dealing with their legal...and we don't even have that agreement. We don't even have a finder's fee agreement.

Had something happened with Mr. Wright's statements to the press.... I assume he's being honest and forthcoming. I'd suggest to you that Mr. Wright, if he did get anything out of the government, wasn't going to pay anybody, and certainly not me, but I was unaware of anything outside the fed response that we got from Mr. Glémaud. That's the last thing I saw.

I'm going to provide you with that correspondence as well, so you'll see exactly what I saw. If you saw what I saw, and nothing after that, and didn't hear about anything from Green Rite or Mr. Jaffer, how would I know any different?

[Translation]

**Mrs. Alexandra Mendes:** Let us now deal with another of your clients, Mr. Philip Roe, of SolTerra Capital, who stated that you introduced him to Mr. Jaffer in September of last year. Did you have any specific reason to introduce them to each other?

[English]

**Mr. Nazim Gillani:** You said SolTerra?

**Mrs. Alexandra Mendes:** Yes, SolTerra Capital.

**Mr. Nazim Gillani:** And Phil Roe?

**Mrs. Alexandra Mendes:** Yes.

**Mr. Nazim Gillani:** I don't even remember that. Is this in my correspondence, my timeline?

**Mrs. Alexandra Mendes:** It was Mr. Phil Roe who declared that you introduced him to Mr. Jaffer.

**Mr. Nazim Gillani:** Maybe at a social event? Or what? I don't know.

**Mrs. Alexandra Mendes:** That's what we're asking. Was it—

**Mr. Nazim Gillani:** Okay, but where are you seeing this, though?

**Mrs. Alexandra Mendes:** Mr. Phil Roe declared this. He's the one who declared that you introduced him to Mr. Jaffer.

**Mr. Nazim Gillani:** He may have come. I don't know if he was at the luncheon at La Castile originally. He may have been, but I don't recall that at all. I could certainly check and get back to you.

**Mrs. Alexandra Mendes:** I'm going to share the rest of my time with my colleague Ms. Coady.

**Ms. Siobhan Coady:** I have a couple of quick questions.

You talk about, on November 3, “Jaffer email requesting GPG - ISI contract - don't know why”. So you had to submit it back on November 3. Do you know anything further from that? You also said that he requested the RLP—the company I referred to earlier—non-disclosure agreement. Do you have any further details to add to that?

**Mr. Nazim Gillani:** Again, on the RLP stuff, you'll see exactly what I saw.

As far as correspondence goes, yes, we signed an NDA based on the company's request and provided them with that, and then we went ahead and started to talk to VCs about what RLP's requirements were, unaware that anything was done with RLP and the government in any way, shape, or form.

**Ms. Siobhan Coady:** But Mr. Jaffer did ask for that, a copy of your contract, which he indicated in a previous committee meeting he didn't...he'd had no relationship. So he definitely had the contract, because you had given it to him on November 3, right?

**Mr. Nazim Gillani:** Okay. Sorry. I'm losing you.

• (1620)

**Ms. Siobhan Coady:** Okay. On November 3, according to your timelines, you said “Jaffer email requesting GPG - ISI—I guess that's your company—“contract - don't know why.”

**Mr. Nazim Gillani:** So the GPG-ISI contract is the one that they signed.

**Ms. Siobhan Coady:** Right.

Mr. Jaffer said in the previous meeting that he had no relationship. That's what I'm trying to establish.

**Mr. Nazim Gillani:** Yes.

**Ms. Siobhan Coady:** I have two other quick points.

In your memo, the famous memo of September 11—

**Mr. Nazim Gillani:** Yes—9/11.

**Ms. Siobhan Coady:** —when you were enthusiastic, you say: “Something has happened today that has furthered his”—Dr. Chen's—“level of confidence in what Rahim can do for the China initiative we are involved with as well as the Green rite project...”.

Can you shed some light on that?

**Mr. Nazim Gillani:** Sure. I mean, a personable guy, well-spoken—Chen had an instant connection with him.

**Ms. Siobhan Coady:** It talks about furthering his level of confidence, so he had already met the man.

**Mr. Nazim Gillani:** Yes. I mean socially. They got along great. They enjoyed themselves. They were together quite a bit that evening. They spoke a lot, they spent a lot of time together, and Dr. Chen was impressed.

**The Vice-Chair (Mr. Chris Warkentin):** Ms. Coady, your time is complete.

We're going to turn to Mr. Nadeau for five minutes.

[Translation]

**Mr. Richard Nadeau (Gatineau, BQ):** Thank you, Mr. Chair.

I will share my time with my colleague.

Good afternoon, Mr. Gillani. If I say "Cachet Ladies", does that ring a bell for you?

[English]

**Mr. Nazim Gillani:** Yes. It means I read an article by Kevin Donovan.

[Translation]

**Mr. Richard Nadeau:** Are you the owner of an escort agency called Cachet Ladies?

[English]

**Mr. Nazim Gillani:** No.

[Translation]

**Mr. Richard Nadeau:** Not at all? You are not even a partner or anything of that nature?

[English]

**Mr. Nazim Gillani:** No, never, nothing, zero.

[Translation]

**Mr. Richard Nadeau:** Had you ever heard of that agency before reading that article in the paper?

[English]

**Mr. Nazim Gillani:** I have heard about it, yes.

[Translation]

**Mr. Richard Nadeau:** Is it because the owners were people you knew?

[English]

**Mr. Nazim Gillani:** No, it's not. There was an article done by Kevin Donovan.

[Translation]

**Mr. Richard Nadeau:** I am asking those very specific questions because I want to clarify some things. Considering that you were sworn in, I would like you to tell me if you know the owners of the agency called Cachet Ladies.

[English]

**Mr. Nazim Gillani:** No, I don't.

[Translation]

**Mr. Richard Nadeau:** Very well.

We have heard about a possible case of fraud in British Columbia. There have been certain problems over there. Have those fraud accusations in British Columbia been resolved?

[English]

**Mr. Nazim Gillani:** In B.C.?

[Translation]

**Mr. Richard Nadeau:** Yes.

[English]

**Mr. Nazim Gillani:** This is in regard to what specifically...? I've heard 50 different things from Mr. Donovan in his articles. I stopped reading them, so you can—

[Translation]

**Mr. Richard Nadeau:** I will be quite direct. Have you had in British Columbia financial problems the effect of which was to create difficulties for your partners?

[English]

**Mr. Nazim Gillani:** No. I can't answer for my partners, and I don't see how, Chairman, this line of questioning has any relevance to GPG, Rahim Jaffer, and the events that we're talking about.

[Translation]

**Mr. Richard Nadeau:** I simply want to know your position exactly.

[English]

**The Vice-Chair (Mr. Chris Warkentin):** I just want to intervene to remind committee members of two things.

One is to remember that we want to keep on the issue that we're discussing, so relevance is the first point. But I would also remind committee members that, as members of Parliament, we do adhere to the *sub judice* convention, which requires us, if in fact there are other court proceedings or other proceedings.... I'm unaware of it, but if you, as a witness, are not comfortable, or if you feel that we're not abiding by the convention, please—

**Mr. Nazim Gillani:** I was advised by counsel that you would adhere to that before I even got here: that ministers of Parliament would not be questioning me about anything to do with a matter that is in front of the criminal courts and—

**The Vice-Chair (Mr. Chris Warkentin):** That is correct, so if we're going into that territory, we as committee members want to refrain from doing that.

[Translation]

**Mr. Richard Nadeau:** Mr. Chair, I thank you for those clarifications and I hope that they are not taken from my time.

[English]

**The Vice-Chair (Mr. Chris Warkentin):** No, you lose no time.

[Translation]

**Mr. Richard Nadeau:** Very well.

You said that there are legal proceedings at this time relating to what happened in British Columbia. Therefore, the matter is before the courts. Thank you.

Furthermore, we have heard that you would have claimed to be a banker for the Hells Angels. Is there any truth to that?

[English]

**Mr. Nazim Gillani:** I thought I addressed that in my initial statement, sir.

[Translation]

**Mr. Richard Nadeau:** What is your answer, please?

[English]

**Mr. Nazim Gillani:** I said that I have never said that.

• (1625)

[Translation]

**Mr. Richard Nadeau:** Do you have any links to the Hells Angels?

[English]

**Mr. Nazim Gillani:** No.

[Translation]

**Mr. Richard Nadeau:** Do you have any link whatsoever?

[English]

**Mr. Nazim Gillani:** No.

[Translation]

**Mr. Michel Guimond:** I want to come back to your e-mail of Friday, September 11. I shall read it to you. My Liberal colleague has read the end of the paragraph but I will read it at length. Here are your words:

As most of you may have heard, we had a rather earth moving experience last night at dinner with Rahim Jaffer and Dr. Chen. Mr. Jaffer has opened up the Prime Minister's office to us and as a result of that dinner - he today advised me that he is just as excited as we are and joining our team seems to be the next logical step. Dr. Chen also was thoroughly impressed with the level of commitment from Rahim and the strength with which it was made.

That is what you said in your e-mail. What did you mean by "commitment"? You wrote that Mr. Jaffer had committed to open the Prime Minister's office to you.

[English]

**Mr. Nazim Gillani:** Sir, strength of the commitment to the group, to this new partnership: that's what it meant.

[Translation]

**Mr. Michel Guimond:** Yes, but what did you mean by the sentence you wrote? You are the one who wrote it, not me. "Mr. Jaffer has opened up the Prime Minister's office to us". What does that mean?

[English]

**Mr. Nazim Gillani:** I've said that was an overenthusiastic statement. I regret it deeply, but I said it. It's my fault, my words. I don't know how many times I'm going to have to say this over and over again—

[Translation]

**Mr. Michel Guimond:** Yes, but you wrote...

[English]

**Mr. Nazim Gillani:** So it has nothing to do with Mr. Jaffer. These are my words. I said it. So if anybody needs to be punished for what I said, then that's me, and I'm taking responsibility.

[Translation]

**Mr. Michel Guimond:** This is not a matter of punishment. You talked of an earth moving experience. Considering the sentence you wrote, there was certainly some discussion on opening the doors to the Prime Minister's office.

[English]

**Mr. Nazim Gillani:** If I asked one person what an "earth moving experience" was and then I asked another one, do you agree with me that there would be two different experiences described?

Just because you read into it that an "earth moving experience" means this, I disagree with you, and I respectfully tell you that's not the case. I said these words. They're my fault. I'm taking responsibility for them. I don't know what else I can do.

**The Vice-Chair (Mr. Chris Warkentin):** Thank you, Mr. Guimond.

We're going to turn it over to Mr. Bruinooge for five minutes.

**Mr. Rod Bruinooge (Winnipeg South, CPC):** Thank you, Mr. Chair.

I want to go back to some of your comments in relation to the Federal Accountability Act and not understanding or appreciating the laws in relation to business owners in Canada and how they may interact with government or members of Parliament, ministers, etc.

You've indicated you didn't have too much knowledge on this matter. I got into politics in part because of some of the things that have occurred in recent years in relation to lobbying, and some of the unfortunate circumstances that have come about. You don't seem to be aware of some of these details, but in recent years, going back to the early part of the last decade, there were a number of individuals who unfortunately engaged in some very illegal lobbying.

I'm not sure if you've heard of these individuals: Jacques Corriveau and Chuck Guité. These individuals were in positions that enabled them to receive illegal amounts of dollars for various projects that government became implicated in.

As a government, we brought about an Accountability Act to attempt to thwart that, because it's so important for this institution to maintain the integrity of government and the way Canadians perceive their government operating, and I know that everybody on that side of the table agrees.

I think it's safe to say that in the event that you were engaging with individuals who had access to that type of illicit dollars, you would have walked away with dollars for your company, but you didn't get any money from Mr. Jaffer.

**Mr. Nazim Gillani:** No.

**Mr. Rod Bruinooge:** As far as I know, you received no dollars.

**Mr. Nazim Gillani:** No, not at all.

**Mr. Rod Bruinooge:** So the point that I'm trying to ask from you on this is, do you see the relationship that you had with Mr. Jaffer's company as being one that clearly had no access to the Prime Minister's Office, clearly had no access to any government money?

• (1630)

**Mr. Nazim Gillani:** Yes, I do. One hundred per cent, I do. I saw no access to the Prime Minister's Office. That's something I said on my own, and again, I take responsibility for it. But I don't believe Mr. Jaffer was doing anything offside in any way. That's my honest opinion.

Certainly, from here on, if I ever deal with government again, it will definitely be on the basis of dealing with a lobbyist who's registered. I'll be ensuring that they are, checking their references, and making sure they have good standing with the federal government of Canada.

**Mr. Rod Bruinooge:** Would you agree that it's important as the CEO of a company to do your due diligence?

**Mr. Nazim Gillani:** Absolutely, and maybe there's a lesson in that. Maybe more CEOs in Canada need to be aware of what the rules are. I think perhaps you might be surprised at the number of CEOs who don't know about....

**Mr. Rod Bruinooge:** So for your shareholders, do you think they deserved more due diligence from you on this?

**Mr. Nazim Gillani:** Absolutely. One hundred per cent. I would definitely take a stand on that, and I will never make this mistake again.

**Mr. Rod Bruinooge:** How have your shareholders been affected by, I guess, your lack of understanding—

**Mr. Nazim Gillani:** It's been a cancer.

**Mr. Rod Bruinooge:** —of the laws that impact your company?

**Mr. Nazim Gillani:** It's been a cancer. Every significant party that I have dealt with has stepped away from me, for obvious reasons. My business has been wiped out.

There's not a lot I can say besides the fact that I lost my business overnight and I didn't think I was doing anything wrong, and I didn't think Rahim Jaffer was doing anything wrong. That's a tough one. I'm the same guy now that I was two or three weeks ago.

But point taken, yes, I should have done more homework. I should have understood this space better. I should have checked to see.... I should have known. I didn't understand the whole lobbying and federal accountability stuff and I didn't know. I take it upon myself to learn it.

**Mr. Rod Bruinooge:** I'm not sure that's a good excuse for your shareholders, though.

**Mr. Nazim Gillani:** It's the truth, though. It's not an excuse. It's just an honest answer.

**Mr. Rod Bruinooge:** In the past, how would your father's company have engaged in interacting with government?

**Mr. Nazim Gillani:** My father applied on behalf of his company himself. He didn't use a lobbyist or an intermediary at all. I got to see how he applied and what sort of packages he put together, etc., but again, the honest truth is that I didn't know about it. I certainly, in retrospect and hindsight, should have known about it, and I will know about it before I approach government ever again.

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Bruinooge, your time is finished.

**Mr. Rod Bruinooge:** Thank you.

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Proulx, for five minutes.

**Mr. Marcel Proulx:** Thank you, Mr. Chair.

Good afternoon, Mr. Gillani. I don't think you should be intimidated by all of this discussion around the Accountability Act, and lobbyists, and so on. You're a businessman. You're allowed to ask for help. You're allowed to refer your business to whoever you want. It's up to them and it's up to the people at the other end.

Mr. Gillani, in the past six months, two companies listed as clients of International Strategic Investments reinvented themselves as environmental firms. This was the same period during which you were having discussions with Green Power Generation about securing federal green funding.

One is Skias Management, which became Eco Recovery, and the other one is TCN Systems Group, which became CleanAir Tek.

**Mr. Nazim Gillani:** Yes.

**Mr. Marcel Proulx:** Did these changes have anything to do with Mr. Jaffer's perceived access to green funds?

**Mr. Nazim Gillani:** No, not at all.

**Mr. Marcel Proulx:** By the way, did Mr. Jaffer ever say to you or to anybody in your presence, "I have contacts within the government and I have knowledge of how this is being done and how we can help you?"

**Mr. Nazim Gillani:** No, not at all. As to any move that these companies have made, actually, these two companies have gone on their own and made these changes on their own. We're no longer shareholders of those two businesses at all.

**Mr. Marcel Proulx:** Okay. I want to come back to the intimidation that...anyways.... Did you know or did you not know if Mr. Jaffer was a registered lobbyist?

**Mr. Nazim Gillani:** I had no idea whether he was or wasn't. I wasn't aware of the lobbying, so how would I...?

**Mr. Marcel Proulx:** Okay.

Mr. Gillani, we still have no confirmation about why the Prime Minister asked the RCMP to investigate Ms. Guergis. Can you enlighten the committee as to whether you have been contacted by the RCMP, the Ethics Commissioner, or anyone in government relating to an investigation involving the circumstances that led Ms. Guergis to resign or be fired from cabinet?

**Mr. Nazim Gillani:** I have not had any contact with the RCMP. I have no idea. I've heard the same thing you have—that this is all based on Mr. Snowdy's storytelling.

● (1635)

**Mr. Marcel Proulx:** Okay. Let's talk about Mr. Snowdy.

**Mr. Nazim Gillani:** Yes. Thank you.

**Mr. Marcel Proulx:** You've made it clear that you disagree, if I understood properly, with many of the claims made by Mr. Snowdy.

**Mr. Nazim Gillani:** Yes, vehemently.

**Mr. Marcel Proulx:** But your spokesperson confirmed that you met with Mr. Snowdy in the summer of 2009.

**Mr. Nazim Gillani:** Yes, once, for five minutes.

**Mr. Marcel Proulx:** All right. At that meeting, Mr. Snowdy has stated, you claimed to have connections to the Conservative Party through Rahim Jaffer and Helena Guergis. Is it your position that you never made that claim and in fact had not even met Mr. Jaffer or Ms. Guergis at that time? Am I to understand that?

**Mr. Nazim Gillani:** My understanding is that I met Rahim Jaffer on August 25, and I believe Mr. Snowdy says he met me on August 27, two days later, and that I was making all of these ridiculous allegations that he's making.

**Mr. Marcel Proulx:** So what you're saying to me is that when you met Mr. Snowdy in 2009, you had not met before—

**Mr. Nazim Gillani:** I had met Mr. Jaffer two days prior.

**Mr. Marcel Proulx:** You had met Mr. Jaffer two days prior. I see.

**Mr. Nazim Gillani:** Two days prior, for the first time ever.

**Mr. Marcel Proulx:** Okay. Mr. Snowdy also claims that you showed him a series of offshore companies and claimed that Jaffer and Guergis not only had companies reserved for them, but they also put you in contact with someone in Belize who could help set up the companies. Mr. Snowdy has even produced a document that lists specific companies in Panama supposedly registered by you.

**Mr. Nazim Gillani:** Yes.

**Mr. Marcel Proulx:** Can you explain that?

**Mr. Nazim Gillani:** It's an absolute lie—a 100% absolute lie.

**Mr. Marcel Proulx:** You talked about your cellphone a little while ago, but I want to be very, very clear. I want to help you out on this.

**Mr. Nazim Gillani:** Thank you.

**Mr. Marcel Proulx:** Mr. Snowdy claims that you obtained photographs of Mr. Jaffer and Ms. Guergis that could have left them open to blackmail. Do you have access, did you have access, or do you know of anybody who has access to photographs that could be damaging to Ms. Guergis or Mr. Jaffer?

**Mr. Nazim Gillani:** No—and again, another complete fabrication.

**Mr. Marcel Proulx:** Total fabrication on the part of Mr. Snowdy?

**Mr. Nazim Gillani:** Well, that's Mr. Snowdy's position. If he's a private investigator, you'd figure he'd have some proof, wouldn't he? That's his business.

**Mr. Marcel Proulx:** I understand you and I sympathize with you when you say that you hire people you trust. I think it's the basic—

**Mr. Nazim Gillani:** Yes. That's how I run my business every day.

**Mr. Marcel Proulx:** I think it's the basic way of doing business.

**Mr. Nazim Gillani:** Yes.

**Mr. Marcel Proulx:** In French Canada we used to say “shake hands and you don't need a signature”. You deal with people. You choose the people you deal with by their reputation. It was even brought to you through the family ranks, right?

**Mr. Nazim Gillani:** Yes. Well, a family member who didn't turn out to be very....

**Mr. Marcel Proulx:** Well, whatever.

**Mr. Nazim Gillani:** But fair enough, yes.

**Mr. Marcel Proulx:** At the time, you thought that—

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Proulx, you have run out of time to ask the question.

**Mr. Marcel Proulx:** Quickly, did you ever hear Mr. Jaffer or anybody else say to you that Mr. Jaffer had excellent contacts, that Mr. Jaffer could do whatever he wanted to do with the government?

**Mr. Nazim Gillani:** No.

My cousin introduced me to Mr. Jaffer and said he was very impressed by him and had known him for at least 10 years. I think he met him at the time he came into Parliament. So he had a long-standing relationship with him. It was purely based on the fact that we're all of the same religion. We trust each other a lot.

**Mr. Marcel Proulx:** But you wouldn't have hired him if you didn't think he had good contacts, would you?

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Proulx, we've given you another minute, pretty well, so you're going to have to wait until the next round.

Mr. Holder, you have five minutes.

**Mr. Ed Holder (London West, CPC):** Thank you, Mr. Chair.

I'd like to thank our witness for coming in today. My sense is that there is strong candour here, but I'd like to ask some questions.

I come from a business background and less of a politician one, so I'm trying to understand the business relationships. You've indicated in your testimony that your cousin was the gentleman who introduced you to Mr. Jaffer. Through the course of what seems to me a very quick timeframe, you seemed to engage in a relationship with him or on a basis on which you were about to enter into some contractual terms.

**Mr. Nazim Gillani:** Yes.

**Mr. Ed Holder:** What was the timeframe from the time that you actually met him face to face to the point where you were prepared to put contract to paper?

**Mr. Nazim Gillani:** A month.

**Mr. Ed Holder:** That seems relatively quick by my standards—

**Mr. Nazim Gillani:** Sure, but if you have a deal that doesn't cost you any money to put into play, then as a businessman it makes sense.

**Mr. Ed Holder:** So talk to me about that, because they say in business to pay yourself first if you can, although that's the dream. So the practical question to me becomes, clearly, that Mr. Jaffer and his partner, through their company, would have expected compensation at some point.

**Mr. Nazim Gillani:** Sure.

**Mr. Ed Holder:** Can you explain to me clearly how that was intended to work?

**Mr. Nazim Gillani:** One of the things I did do was that I had a conversation with Patrick Glémaud, when he called me specifically about this contract that I had not seen. I'm referencing back to a timeframe before September 21.



One of the things he brought up was that once he got some feedback on Green Rite, which was one of the federal government applications that they had put in, he would go out and come up with some sort of document that he would want to put in front of us so that it would explain in more detail what compensation was going to be provided and to whom.

My understanding is, even now, that Mr. Glémaud believes the lobbying registration should have happened at some point in the future, right? That's what I saw him say to this committee. That's consistent with what he told me—even not knowing about lobbying, but I'm talking about it from a business standpoint—how do we quantify what we're going to do, and when are we going to quantify it in contract form?

• (1640)

**Mr. Ed Holder:** So when did he imagine or when did you imagine that you would be—

**Mr. Nazim Gillani:** He told me once that he got feedback from the feds and it was positive, that there was some positive indication of interest, at that point he would want to sit down with us and put together a more formal agreement that outlined how the compensation was going to be passed through to them, in whatever way.

**Mr. Ed Holder:** You made comment a little earlier in your testimony here today that you would make sure the next time to secure a proper lobbyist.

**Mr. Nazim Gillani:** Yes.

**Mr. Ed Holder:** Then do you believe that Mr. Jaffer and Mr. Glémaud were acting as lobbyists?

**Mr. Nazim Gillani:** You know, I don't. That's how I see it. Again, I did not dive into lobbying laws as much as I will. I purposely have not done a lot of research on lobbying so that I would come to this committee in the same form that I was in when this happened.

**Mr. Ed Holder:** I say this respectfully: was this intended to be a hear-no-evil, see-no-evil kind of approach that you were going to take?

**Mr. Nazim Gillani:** No. I mean, you know, if I thought they were lobbying government, I would tell you so. My understanding is that they approached.... One project of ours got to the government and they responded with queries. Certainly you would think, if you were getting an application from someone and they weren't a registered lobbyist and then you were responding to them with requests for information, that in and of itself is a bit of a query to me as to how the government deals with this.... But my opinion is that I don't think they did anything wrong. I don't think they sold us anything. I don't think there was any undue influence or any sort of manner in which they were committing that they could get something further than anybody else.

**Mr. Ed Holder:** So let me come back to that. Again, from your perspective, you do not feel that they did anything untoward in relationships with the Prime Minister or the Prime Minister's Office—

**Mr. Nazim Gillani:** Absolutely.

**Mr. Ed Holder:** —or with ministers or parliamentary secretaries—

**Mr. Nazim Gillani:** As far as I was concerned, absolutely, yes.

**Mr. Ed Holder:** —as far as you were aware.

**Mr. Nazim Gillani:** Absolutely.

**Mr. Ed Holder:** I guess I'm still trying to come back and understand. I appreciate your comment. Maybe it was marketing and maybe it was naiveté about your enthusiastic e-mail sharing with folks that Mr. Jaffer had opened up the Prime Minister's Office to you. I'm trying to imagine what might have been said at that dinner that might have made you feel so enthusiastic or so feel-good about that.

**Mr. Nazim Gillani:** It's about the resources and the time that people are willing to commit to projects. In the business world you're always looking for individuals who are willing to commit their time and make a significant effort for your project. We all got that, and it was the same thing to the combination of the people there and to Dr. Chen as well. He was also very excited. The fact that we had a team that was coming together on a project, in and of itself, was exciting.

**Mr. Ed Holder:** You have to understand—

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Holder, I'm going to cut you off here. Your time has expired.

We are going to turn it over to Mr. Guimond.

[*Translation*]

**Mr. Michel Guimond:** Thank you, Mr. Chair.

Mr. Gillani, there is a dark shadow hanging over the head of private detective Derrick Snowdy. I have a question that you have probably also thought a lot about, and I am sure that you know the answer. What was his motive for revealing that information? Why did private detective Snowdy reveal all those things about you?

[*English*]

**Mr. Nazim Gillani:** The only link that I have to Derrick Snowdy that we have found is that Derrick Snowdy exists on a shareholder list belonging to a company called HD Retail Solutions. We were involved in taking this company public.

We met that company February 2009, to begin with, and in December 2009, this company declared bankruptcy. They were public; the private company declared bankruptcy and notified us, like everybody else, with a press release in the middle of January. This is a company that we invested \$1.7 million in, and Mr. Snowdy is listed as an allocation shareholder from an e-mail from the president of HD Retail Solutions in June of 2009.

So the only link we have is that this is a company that we believe has done some very serious things wrong. We believe there are significant issues at play. I would appreciate it or ask respectfully that you provide us with the opportunity to complete our documentation, because we are in the process of moving forward the litigation, both civil and criminal, against this company and its principals. But—

• (1645)

[*Translation*]

**Mr. Michel Guimond:** You admit that he said a lot of things about you.

[*English*]

**Mr. Nazim Gillani:** Absolutely. Sure—

[Translation]

**Mr. Michel Guimond:** There is this whole matter of drugs, prostitutes, etc.

[English]

**Mr. Nazim Gillani:** Absolutely. I agree with you 100%. It is very damaging, very serious, and criminal in nature if they were lies. I agree.

[Translation]

**Mr. Michel Guimond:** I want to come back to Wright Tech Systems et Green Rite Solutions. What was your objective in doing business with those companies? Also, what was supposed to be the role of Mr. Jaffer, for you, with those companies?

[English]

**Mr. Nazim Gillani:** Green Rite and Wright Tech are the same company, as far as I'm concerned. Green Rite is the marketing arm of Wright Tech. It's one company that has a project that was already dealt with, based on the fact that Mr. Jaffer and Mr. Glémaud with GPG submitted an application to the government on behalf of Green Rite and got answers back from the federal government with regard to requirements. We saw this happen, as an aside; we were watching it.

Again, I believe this is all in the testimony. We've talked about this, right? I'm not sure we got—

[Translation]

**Mr. Michel Guimond:** Are you aware of the steps taken by Mr. Jaffer on this? Have you been made aware?

[English]

**Mr. Nazim Gillani:** No. All I know is that they delivered this package to the federal government and got responses back.

[Translation]

**Mr. Michel Guimond:** Have you ever met with other Conservative Cabinet ministers?

[English]

**Mr. Nazim Gillani:** Never—

[Translation]

**Mr. Michel Guimond:** Never?

[English]

**Mr. Nazim Gillani:** —besides Minister Guergis at the time— once.

[Translation]

**Mr. Michel Guimond:** When?

[English]

**Mr. Nazim Gillani:** That was September 12, 2009.

[Translation]

**Mr. Michel Guimond:** On what occasion?

[English]

**Mr. Nazim Gillani:** It was a Saturday at Sassafras restaurant during the Toronto International Film Festival. It was a social meeting, the first and the last.

[Translation]

**Mr. Michel Guimond:** What was your impression of Mrs. Guergis?

[English]

**Mr. Nazim Gillani:** A nice lady, a very nice lady.

[Translation]

**Mr. Michel Guimond:** Indeed, but what did you think of the wife of Rahim Jaffer, the unregistered lobbyist who claimed he would open the doors of the Prime Minister's office for you? Have you had the opportunity to discuss with her what Mr. Jaffer had promised you?

[English]

**Mr. Nazim Gillani:** I keep saying this over and over again, so I'm not sure why you keep asking me the same questions over and over and over again. I've told you this was a social dinner.

Mr. Chairman, I don't know—

[Translation]

**Mr. Michel Guimond:** Do you know a businessman called Navjeet Bob Dhillon? My pronunciation of his name may not be the best.

[English]

**Mr. Nazim Gillani:** No. Bob Dylan the singer—

[Translation]

**Mr. Michel Guimond:** No, not the Bob Dylan.

**Voices:** Oh, oh!

[English]

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Guimond, your time has nearly expired.

Just a short answer, please, and then we're going to move on to Mr. Martin.

[Translation]

**Mr. Michel Guimond:** Do you know this man and have you met him?

[English]

**Mr. Nazim Gillani:** I don't know a Bob Dhillon.

[Translation]

**Mr. Michel Guimond:** His first name is Navjeet.

[English]

**Mr. Nazim Gillani:** No, I don't.

[Translation]

**Mr. Michel Guimond:** All right.

[English]

**The Vice-Chair (Mr. Chris Warkentin):** Thank you, Mr. Guimond.

We're going to move to Mr. Martin for five minutes of questioning.

**Mr. Pat Martin:** Thank you, Chair.

Mr. Gillani, Mr. Jaffer sat where you're sitting now and lied his ass off to us.

**Voices:** Oh, oh!

**Mr. Pat Martin:** In no uncertain terms—

**An hon. member:** Order.

**Mr. Pat Martin:** —he told us there were no synergies between the two of you, so therefore they had no further dealings, etc. But yet your testimony is that you had regular and frequent meetings and encounters with him. In fact, you signed a contract after your September 10 dinner and your lunch, was it, at Sassafraz?

**Mr. Nazim Gillani:** Dinner at Sassafraz.

**Mr. Pat Martin:** Yes. So since then, since that time, you got together long enough to sign a binding legal contract—

**Mr. Nazim Gillani:** Yes.

**Mr. Pat Martin:** —and you paid for a trip to China—

**Mr. Nazim Gillani:** Actually, no, that's not true.

**Mr. Pat Martin:** —for him and Dr. Chen.

That's not true?

**Mr. Nazim Gillani:** That's not true. I agreed to pay for it. Individuals paid for it. They were supposed to submit expenses to me, and I would have paid for it. I agreed to recoup those expenses, but nothing was submitted. So to be correct here, he paid for his own trip, and Dr. Chen paid for his own trip. I did agree that I would recoup—

**Mr. Pat Martin:** I see.

**Mr. Nazim Gillani:** —and pay it back, but nobody submitted anything to me.

• (1650)

**Mr. Pat Martin:** I see. Fair enough.

But there must have been some communication, though, associated with that trip, leading up to it, some chit-chat, talks, encounters...?

**Mr. Nazim Gillani:** Yes, absolutely. I've told you that we were going to get on a plane together on April 13—15 days ago. So to me that's news that the relationship is over.

**Mr. Pat Martin:** It just adds to the pile of lies that we were told, Mr. Gillani.

Did you ever see Mr. Jaffer's website?

**Mr. Nazim Gillani:** Yes, I did.

**Mr. Pat Martin:** It says there that he has the ability to “secure support from the Canadian government”. He had the Conservative Party logo on that.

**Mr. Nazim Gillani:** Yes.

**Mr. Pat Martin:** So by that, coupled with what your cousin told you about him, did you not have an expectation that he could in fact access support from the Canadian government?

**Mr. Nazim Gillani:** No, because I think if I got introduced to anybody around the table, by anyone, I wouldn't automatically assume that you had the ability to peddle influence. Right?

**Mr. Pat Martin:** Why else would you go into business with him and offer him a cut of your business deals?

**Mr. Nazim Gillani:** Does that mean everybody around the table is peddling influence?

**Mr. Pat Martin:** No, not at all.

**Mr. Nazim Gillani:** Well, that's what I'm asking you. I'm saying, if I met you—

**Mr. Pat Martin:** But I'm wondering, what did you have him there for? Why did you need him as a business partner?

**Mr. Nazim Gillani:** As a business person, if it's not going to cost you any more to expand your network, you do it. It makes sense. Common sense business says that if you have a guy out there who's willing to go out and help you move forward your objective, you take that if it's not going to cost you any money.

**Mr. Pat Martin:** All right, fair enough. I'm not going to argue with you.

In your contract with him, it says, “On a project-to-project basis, the parties” will agree to a “fee/profit-sharing” arrangement as a reward, as a fee.

**Mr. Nazim Gillani:** Yes.

**Mr. Pat Martin:** Would that profit-sharing arrangement sometimes include taking shares or stocks or an equity position in the company they're helping to develop?

**Mr. Nazim Gillani:** It depends, on a project-by-project basis, and again, we're totally subject to the funder. One of the reasons we leave this type of language in an agreement like this—and I know it's sort of wishy-washy and not very clear—is that it gives us the ability to be able to take the funder's requirements and turn around and taper a deal that makes sense based on that.

**Mr. Pat Martin:** Let me put to you a scenario that has been put to us by people who claim to have some knowledge of your relationship.

**Mr. Nazim Gillani:** Okay.

**Mr. Pat Martin:** Rahim secures the government grant; the company puts out an IPO; the offering goes out; Rahim gets shares; you pump up the value of those shares, using in part the fact that you got this government grant, and therefore the company is credible. Rahim sells off his shares at the high; you short those and get it down lower; he buys back in at the lower level and his profit is the spread he enjoys between where he sold it off and where he buys back in. Is that a realistic scenario?

**Mr. Nazim Gillani:** Yes, that's a strategy that's used every day, but—

**Mr. Pat Martin:** Is that something that you and Rahim talked about?

**Mr. Nazim Gillani:** No, not at all.

**Mr. Pat Martin:** And then when he buys back short—

**Mr. Nazim Gillani:** Going long and going short is a standard strategy in the market, right? It's a standard strategy.

**Mr. Pat Martin:** Is that what you call “pump and dump”?

**Mr. Nazim Gillani:** It's not what you call “pump and dump”.

**Mr. Pat Martin:** No.

**Mr. Nazim Gillani:** A going short strategy is based on the ability to hope that a stock goes down in value and—

**Mr. Pat Martin:** But what does that say to those people who you asked to buy in at the higher rate if all along you intended to short it?

**Mr. Nazim Gillani:** I never asked anybody to buy into anything. I don't ask anybody to buy in at any rate when the company is public. I don't work—

**Mr. Pat Martin:** Well, the IPO is well before it goes public, the initial price offering.

**Mr. Nazim Gillani:** We take our money and we invest it just like everybody else—my money, our company's money, just like everybody else—but we invest in the private corporation before it goes public.

**Mr. Pat Martin:** This sounds like a business plan worthy of Goldman Sachs. If you ask these people to buy in at \$10 a share, knowing full well you intend to short it and get it down to a buck a share so Rahim can sell out here and buy back in there, that sounds like stock manipulation and it's a scam—

**Mr. Nazim Gillani:** And you get that from this contract that you're looking at?

**Mr. Pat Martin:** I'm sorry?

**Mr. Nazim Gillani:** And you get that from this contract that you're looking at?

**Mr. Pat Martin:** No. I'm asking you if that's the way you operate—

**Mr. Nazim Gillani:** Yes, but you're talking about—

**Mr. Pat Martin:** Did you ever discuss that proposal with Rahim?

**Mr. Nazim Gillani:** No, not at all.

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Martin, your time has expired.

Just a short answer, if you have one.

**Mr. Nazim Gillani:** Not at all.

**Mr. Pat Martin:** Ed knows this stuff.

Is that true, Ed? Is that how they do business in the real world?

**The Vice-Chair (Mr. Chris Warkentin):** We're going to move over to Mr. Brown for five minutes.

**Mr. Patrick Brown:** Thank you, Mr. Warkentin.

I think it's clear from the timeline that was presented—when we talk about August 20 to the present time—but what I'm interested in is going a little bit further back from that. I think it's apparent that during the timeline you described, there was no success; there was no successful lobbying. The Prime Minister's door was clearly shut.

But I think the reason there's a real concern around the notion of lobbying is because of what we heard during the sponsorship inquiry. During the Gomery inquiry, it came out from Benoît Corbeil and others that there was a system for corruption. It was set up by the previous Liberal government. Money was given to party friends and then funnelled back to the Liberal Party.

I guess what I'm curious about is if you have had any dealings with the previous government. I think it's clear that during the last

four years there has been no successful lobbying, but prior to that, did you have any exchanges with the previous government where that was common practice?

• (1655)

**Mr. Nazim Gillani:** No.

**Mr. Patrick Brown:** Okay.

On that note, we know that the Liberals gave out sponsorship cash to their friends in various ridings across the country. Did any of your businesses receive sponsorship cash from the previous Liberal government?

**Mr. Nazim Gillani:** No.

**Mr. Patrick Brown:** Okay.

Well, it's important to clarify this, and it's an interesting contrast, understanding we're in an era where lobbying doesn't work if you're trying to lobby against the notions of the Lobbying Act, but previously it was much different. Maybe any attempts to lobby the government would have been much, much more successful than the three attempts shot down under this. It's an interesting contrast, but I know my colleague Ed Holder has a quick question as well.

**Mr. Ed Holder:** If I may, Chair, I have two fast questions.

First of all, I was thinking about the comment you made about Mr. Jaffer passing out his business cards, and he didn't have his current one, so he took out his old card that he had—and I suppose that can happen—and he crossed out information.

I was imagining that if I took out my member of Parliament card, took off “House of Commons”—that doesn't apply—and “London West”—that doesn't apply—and my justice building address, and my residence address, so I'm kind of stuck with my name, what's the purpose of the business card?

**Mr. Nazim Gillani:** I don't know what to say to you. I just saw him do this, and he wrote down another number, and I walked out. That was one person. There were other people at that table, so I don't know whether other people got the card or not. At the close of the meeting, I saw him do that with one person. I got up to go out and have a cigarette.

**Mr. Ed Holder:** My final question, if I can, Chair, is the following.

You indicated in testimony that you were looking to take legal action against the partners in the company based on the actions that have happened. Do you intend to do that with *The Toronto Star* and the reporter?

**Mr. Nazim Gillani:** Absolutely.

**Mr. Ed Holder:** Thank you.

**The Vice-Chair (Mr. Chris Warkentin):** Thank you, Mr. Holder.

We have just one short question from the Liberals.

Ms. Coady.

**Ms. Siobhan Coady:** Thank you very much.

I have to make it very quick.

I'm just noticing on your timelines here: "October 12...executive summary for RLP Energy Inc." Then it goes to "RLP NDA" again, and then it talks about "RLP NDA" again. That's during a very short period of time, from October 12 to November 3.

Can I ask a couple of questions?

**Mr. Nazim Gillani:** Sure.

**Ms. Siobhan Coady:** What is RLP's technology? This is the one that I think was submitted to Mr. Prentice—

**Mr. Nazim Gillani:** This was. This is the removal of mercury—

**Ms. Siobhan Coady:** Do they do business in Alberta? What do they do?

**Mr. Nazim Gillani:** Basically it's the process to remove mercury through carbon emissions. It's a fairly extensive sort of technology that allows you to take the burning of coal in coal-burning plants and reduce the amount of mercury that's coming out of them significantly.

**Ms. Siobhan Coady:** And that's a novel technology?

**Mr. Nazim Gillani:** It's a very novel technology based on the cost of it. This is a very expensive process and you can only get so much done. This allows you to do it much cheaper and get a lot more of the mercury out of it.

**Ms. Siobhan Coady:** What was occurring between October 12 and November 3, where there's a flurry around this RLP?

**Mr. Nazim Gillani:** Remember, you're seeing a reference to e-mails back and forth, right? So you're saying that Glémaud sent me five e-mails and I'm giving you every date and every e-mail he sent. Maybe he was eager to get something done. I don't know.

**Ms. Siobhan Coady:** He was eager to get something done?

Okay. Thank you.

**Mr. Nazim Gillani:** You're welcome.

**The Vice-Chair (Mr. Chris Warkentin):** Thanks, Ms. Coady.

We will now move to our committee business. We're going to move in camera.

Thank you, Mr. Gillani, for appearing.

**Mr. Nazim Gillani:** Thank you very much.

**The Vice-Chair (Mr. Chris Warkentin):** We'll now suspend for three minutes.

*[Proceedings continue in camera]*

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