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Wednesday, May 12, 2010

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Chair

Ms. Yasmin Ratansi

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• (1530)

[English]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): I call the meeting to order.

Could the media please leave the room? The committee is ready to start its business.

Mr. Rod Bruinooge (Winnipeg South, CPC): Madam Chair, I would like to move my motion.

The Chair: We have the witness before us. We have seen your motion. It has been passed through committee, and we'll be discussing it in the last 15 minutes.

Mr. Rod Bruinooge: As I have the floor, I believe I have support to deal with this right now.

The Chair: This is an order of the committee, and I'd like to follow the order of the committee.

We have a witness before us. To the witness I will say that I know that you've brought in your legal counsel. Parliamentary privilege rules on the rights and duties of witnesses say:

Witnesses giving testimony who wish to be assisted by counsel must ask leave of the committee, although permission is seldom sought. Counsel is restricted to an advisory role and may not ask questions or reply on the witness' behalf.

I would like to seek the committee's permission for legal counsel to stay. Is the committee in agreement that we can let Mr. Groot stay?

An hon. member: Agreed.

The Chair: Ms. Mendes, did you...?

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Yes, thank you; that's fine.

The Chair: I understand, Mr. Snowdy, that you asked that you be sworn in.

Mr. Derrick Snowdy (As an Individual): Yes, Madam Chair.

The Chair: Okay, I'll send the clerk over to have you sworn in.

Mr. Derrick Snowdy: I, Derrick Snowdy, do swear the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth, so help me God.

The Chair: Thank you, sir.

The orders of the day, pursuant to standing order 108(3)(c), are the study of renewable energy projects funded by the government.

Mr. Snowdy, do you have a statement that you would like to make for five minutes?

Mr. Derrick Snowdy: Yes, Madam Chair, if I may.

The Chair: Thank you.

Mr. Derrick Snowdy: Madam Chair, members of the committee, unaccustomed as I am to be present in front of a parliamentary committee, forgive me for taking a few moments to make a statement, and perhaps, through you, I may be offered a bit of latitude.

I've worked in the private security investigation industry for 20 years. I've worked with clients in Europe, the Middle East, Africa, and Central America. I've held investigative licences across Canada, with the exception of British Columbia and Saskatchewan.

I believe the reason I've been summoned here today before this committee is to offer insight into the media frenzy surrounding a former cabinet minister and current member of Parliament.

My role to many of you in this room may be confusing and misunderstood because of what I do. I believe I speak for all of my clients in the insurance industry, the banking sector, and government who choose to remain anonymous because they, like me, believe that neglect is the ally of many. It is because of neglect that investigators are retained. The job of investigators, if you will, is to dig into people's activities and statements. Your role too is to examine the issue before you.

The notion that neglect is an ally is a strong statement. It presupposes that, as normal everyday respectful citizens, we take what people say as the truth. In fact, one can make the absolute leap that what generally happens in this place is built upon that premise.

Most importantly, Madam Chair, neglect is not the purview of this place. It is all around us and in our everyday lives, and neglect as an ally is the reason clients seek my counsel and professional skills as an investigator in the first place.

When the facts I uncovered as an investigator regarding the proponents of this committee's mandate came to light, I sought the advice of friends who understood far better than I how things here in Ottawa work. I agreed to meet the client's wishes and contact individuals in public office, be they functionaries to politicians or politicians themselves. When I brought to light the issues that appeared to affect the government, I advised the government.

The reaction of the government, albeit a part of the mandate of this committee, has nothing to do with me. It appears, however, I am an unwilling participant in this little drama.

I'm here, Madam Chair, because your committee believes I can shed some light on this matter. I hope that my presence here can help clear up some of the misconceptions about this matter, and that I can move on as an investigator in my professional life.

Madam Chair, through you to the committee members, I humbly submit that this matter has been, and is, a tough issue to manage through for the individuals who are at the centre of it. Many people have made assumptions about the evidence and information I collected during the case, and many people have made assumptions about the investigation as a result of media spin. I appear before you today to speak to the facts and connect the dots, as I did with the clients and victims during the investigative process.

Many friends with whom I have spoken have felt there is far too much being made of this issue in the first place, when it appears to have effectively been dealt with by the Prime Minister.

I hope and trust my presence here today will serve to offer a perspective and close this chapter, and that we don't neglect those other important matters that we look to you to manage.

The Chair: Thank you, Mr. Snowdy.

We'll go to the first round of questions. First is Ms. Siobhan Coady, for eight minutes.

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

I really appreciate your being here today. As you said, this is about getting to the truth and speaking to the facts, so I'm glad you made that as a point in your opening statements, and we'll certainly get to that.

I just want to ask a couple of questions to begin. You had information that you felt was significant enough to bring to the attention of the Conservative lawyer Arthur Hamilton, I believe his name was. What information exactly did you bring to Mr. Hamilton's attention?

•(1535)

Mr. Derrick Snowdy: I think there's a little bit of a leap in that question. If I may, maybe I can go back to you with this.

The information that I had and the direction that I went with it was after consultation and receiving direction from the client. I didn't make the emails or the telephone calls on my own initiative. They were a result of the spiralling situation that seemed to appear on the morning of April 8. You can well imagine that a number of my clients woke up to the *Toronto Star* on Thursday, April 8, and pretty soon afterwards my BlackBerry became fairly active.

Ms. Siobhan Coady: They asked you to go and present this to—

Mr. Derrick Snowdy: There was a lot of discussion, and it went on for a few hours.

Ms. Siobhan Coady: Okay. Then you went to see.... You made a call. I think this is all on the public record. You made a call, and eventually you had a call back from the lawyer named Arthur Hamilton.

Mr. Derrick Snowdy: I sent out some emails at around 12:30 in the afternoon. I sent one to my member's assistant and I sent one to an executive in my riding association after I had received the direction from my client to disclose certain facts.

Ms. Siobhan Coady: Okay, great.

I'm sorry, but we only have eight minutes, so I'm going to be a little pressed for time. What information did you bring to Mr. Hamilton?

Mr. Derrick Snowdy: We're not going to squeeze that into eight minutes. I had an hour-long conversation with him on the phone. When I did return his call, it was 11 o'clock at night, and he had been trying to get hold of me for many hours.

Ms. Siobhan Coady: All I'm interested in is the information.

Mr. Derrick Snowdy: We went through the steps in the case, what I could confirm, the information we'd collected, and what we had validated.

Ms. Siobhan Coady: So you had evidence that you presented to him. It was of what nature?

Mr. Derrick Snowdy: I didn't present him.... We discussed the case.

Ms. Siobhan Coady: Okay, you discussed the case.

Mr. Derrick Snowdy: We discussed the case. I indicated that we did have a business relationship between Mr. Gillani and Mr. Jaffer.

Ms. Siobhan Coady: How did that concern you?

Mr. Derrick Snowdy: It didn't concern me; it concerned my client.

Ms. Siobhan Coady: Okay, we've established that. How did it concern your client?

Mr. Derrick Snowdy: There were a number of problems that had circulated throughout the day with respect to what was becoming.... Essentially, the client's issue was Mr. Gillani, and the story had become an issue of Mr. Jaffer and Ms. Guergis as a result of Mr. Donovan's investigation.

Ms. Siobhan Coady: When you met with Mr. Hamilton, what did you anticipate would happen, based on the information you were bringing on behalf of your client? What did you anticipate happening?

Mr. Derrick Snowdy: I never presented Mr. Hamilton with any information.

Ms. Siobhan Coady: When you discussed it with him....

Mr. Derrick Snowdy: We discussed very specific questions. Arthur and I had a very careful conversation. Would you like me to give you an example of one of those questions?

Ms. Siobhan Coady: Please. Specifically around Mr. Jaffer's business dealings would be....

Mr. Derrick Snowdy: I'll give you an example of one of the questions.

Ms. Siobhan Coady: Please do.

Mr. Derrick Snowdy: Mr. Hamilton asked me, “Is it possible that someone can produce a photograph or a record whereby the minister, her husband, and his business partner, who is awaiting trial on fraud-related materials—there is a warrant for his arrest for a handgun possession issue, and he has admitted to being involved in this escort agency—are dining together?”, and I said, “Yes, that evidence can be produced.”

Ms. Siobhan Coady: Did you see that photograph?

Mr. Derrick Snowdy: That wasn't a photograph, to my knowledge. The question was on whether it could be done, and I told him where and when it could be located. I said, “All you have to do is go over to Sassafras and pull the security video.”

Ms. Siobhan Coady: Okay. We've had evidence before us from Mr. Gillani saying that the photograph doesn't exist.

What else did you say, exactly? What else did you discuss with Mr. Hamilton, besides the photograph?

Mr. Derrick Snowdy: We had those types of discussions. “Is it possible that clients of mine met with Mr. Gillani and Mr. Jaffer, with the idea that they could open up government funds and grants?” I said, “Yes, I have clients who will say they met with them for that purpose.”

Those were the types of questions we had back and forth.

Ms. Siobhan Coady: To that question, you have evidence or you've had discussions with this particular lawyer saying that Mr. Jaffer could get government grants. Is that what you understood?

Mr. Derrick Snowdy: I understood from my client that the meeting he was brought to by Mr. Gillani and Mr. Jaffer was for the purpose of Mr. Jaffer's facilitating access to this green fund funding and special consideration by members of the government. That was his niche in the partnership.

• (1540)

Ms. Siobhan Coady: Okay. Could you describe what was meant or understood by “special consideration”?

Mr. Derrick Snowdy: Do you mean understood by the client as they relayed it to me?

Ms. Siobhan Coady: Yes.

Mr. Derrick Snowdy: It was their understanding that this was the back door.

Ms. Siobhan Coady: So Mr. Jaffer could get them in the back door of government to give them privileged access or special access—whatever word you want to use—to getting green funds?

Mr. Derrick Snowdy: That was their understanding.

Ms. Siobhan Coady: Did they understand that access would be secured on their behalf? What was their understanding of how Mr. Jaffer was going to get paid for that service?

Mr. Derrick Snowdy: I don't think they had an understanding of how Mr. Jaffer would get paid. That went more to the previous business schemes that Mr. Gillani had put in place as to how his partners are compensated.

Ms. Siobhan Coady: I assume that's the contract they had that talked about finder's fees.

Were you aware of anything that Mr. Jaffer did do for your client, besides the offer of special access, privileged access, backroom access, or whatever word you want to use? Are you aware of anything that he actually did deliver for the client?

Mr. Derrick Snowdy: Well, because he was in business with Mr. Gillani, and Mr. Gillani has never actually delivered on anything, I think the safe answer to that is no.

Ms. Siobhan Coady: Can you also help me with a point of confusion? I understand that you had a meeting on or about August 7 at which Gillani claimed to have a connection to the Tory party, the Conservative Party, through Mr. Jaffer. The date that's been circulated was in early August.

Mr. Derrick Snowdy: It was a Wednesday night on King Street in Toronto. I believe it was August 5. I think most people are saying it was August 7 because they're looking at their credit card records, which show the transaction posted after midnight.

Ms. Siobhan Coady: What exactly transpired at that meeting? Mr. Gillani has said that he didn't meet Mr. Jaffer until the end of August. I'm just trying to establish timelines here so that we can look at what Mr. Jaffer was offering to the clients.

Mr. Derrick Snowdy: We took a look at that situation, and of course we did a post-mortem as anybody else would do. Given Mr. Gillani's previous conduct, we feel that he was a scheduled introduction. He obviously took the leap to identify Mr. Jaffer as a current business partner.

Ms. Siobhan Coady: I have one more quick thing before they tell me my time is up. Have you kept good records of all this?

Mr. Derrick Snowdy: We kept record notes—

Ms. Siobhan Coady: Could the committee have your notes tabled? I'd like to ask that you actually provide copies of those to the committee so that we can see the timelines and how this transpired.

Mr. Derrick Snowdy: There is a provincial law with respect to how the work product is governed for licensed investigators in the Province of Ontario—

Ms. Siobhan Coady: Can I ask the chair to take that under advisement?

The Chair: I will take it under advisement. I have legal counsel here as well that I can consult.

Mr. Derrick Snowdy: Thank you.

The Chair: Thank you, Ms. Coady.

We're now going to Monsieur Guimond for *huit minutes, s'il vous plaît*.

[Translation]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Thank you, Madam Chair. Mr. Snowdy, thank you for being here.

Mr. Snowdy, Minister Guergis seems not to know the reasons why she has been expelled from cabinet and from the Conservative caucus. In the House, Prime Minister Harper refuses to reveal to us the reasons why he did it. He must have had reasons for doing so. Do you have any reasons to give us? What is your opinion on the dismissal on Helena Guergis? What do you think are the reasons why she was expelled from the Conservative caucus?

[English]

Mr. Derrick Snowdy: I think you're asking me to speculate on what the Prime Minister—

[Translation]

Mr. Michel Guimond: I'm not asking you to speculate. Can you inform the committee members about the reasons in question? Do you have any information or evidence that might incriminate the conduct of Helena Guergis?

[English]

Mr. Derrick Snowdy: I have nothing, no evidence or information, with respect to the conduct of Ms. Guergis in my possession or knowledge.

[Translation]

Mr. Michel Guimond: Mr. Gillani, whom we met, seems to be a good client of the judicial system. Did you look into Mr. Gillani's criminal record and the proceedings instituted against him?

• (1545)

[English]

Mr. Derrick Snowdy: I did a background check with respect to some of his litigation and business dealings and found a string of hard litigations from Vancouver: his arrest for carrying an unlawful handgun, his interactions out there, the subsequent dissolution of those corporations, as well as when he moved to Ontario. I know he gave you information about being in the business for some 20-odd years; however, none of his corporations survived more than two or three years. He rolls clients into those corporations, dissolves them when the litigation piles in, and then moves on to another corporation.

That was actually a key to discovering what we call the “cookie cutter” to his MO during this commercial crime spree.

[Translation]

Mr. Michel Guimond: Mr. Gillani said in committee that the lady friends—let's call them that—the ladies, the women who joined with him and Rahim Jaffer to dine, were respectable women.

What do you have to say to that?

[English]

Mr. Derrick Snowdy: It's my understanding that his lady friend also holds part-time employment through Cachet Ladies Escorts. Mr. Gillani conducted numerous business activities at a Toronto-area burlesque establishment that he frequently invited clients and business associates to attend with him. He was the host, I believe the proper term would be, of those social evenings. I refer back to the arresting officer's report when the search warrant was executed on him in November, when he was arrested on the current fraud charges that he stands before the courts on. At that time he was found in the company of one of the ladies from the escort agency as well.

[Translation]

Mr. Michel Guimond: Mr. Gillani apparently met Mr. Jaffer and Ms. Guergis in the company of prostitutes when drugs were used. Photographs were apparently also taken.

Were you there? Did you see those pictures?

[English]

Mr. Derrick Snowdy: I was not present at any type of social function of that nature. As I mentioned before, the only information I had with respect to that type of conduct was Mr. Gillani's implication of a social relationship with Mr. Jaffer and Ms. Guergis, which he made during the August meeting.

[Translation]

Mr. Michel Guimond: You heard that Mr. Gillani had threatened a disgruntled investor that he would disclose compromising photographs. Can you say a little more on that subject?

[English]

Mr. Derrick Snowdy: During the discussion of their business relationship with one of my client's investor principals, I pressured them to confront him over his misdeeds. It was then reported to me that one of them had indeed confronted him—

The Chair: Could you speak into the mike? Is the translation off?

Mr. Derrick Snowdy: I'm sorry. Can you tell me where we were?

Mr. Paul Szabo (Mississauga South, Lib.): Repeat the last part of your answer.

[Translation]

Mr. Michel Guimond: You know he apparently threatened a disgruntled investor that he would disclose compromising photographs. I asked you to tell me more on that subject.

[English]

Mr. Derrick Snowdy: One of the principals of the client indicated that at my encouragement, he confronted Mr. Gillani about some of his misrepresentations and that he had sought out Mr. Gillani to discuss them. At such a time they had a few drinks to discuss the matter. When he became particularly concerned with his lack of business success, Mr. Gillani and an associate threatened him with photographs they alleged were of him in misconduct during a party at Club Paradise. He alleged Mr. Gillani had one of his associates stick a gun in his ribs.

• (1550)

[Translation]

Mr. Michel Guimond: I'm asking you for your interpretation, your assessment. That's why you're testifying before us. You are testifying under oath and you have the protection and immunity offered by the committees.

In your opinion, could Mr. Gillani be the type of individual who is capable of blackmailing Mr. Jaffer and Ms. Helena Guergis, a former Conservative minister for the Status of Women?

[English]

Mr. Derrick Snowdy: He is, without doubt.

[Translation]

Mr. Michel Guimond: Without any doubt.

[English]

Mr. Derrick Snowdy: Without doubt.

[Translation]

Mr. Michel Guimond: All right. Mr. Gillani denied that he owned an escort agency called Cachet Ladies. Can you provide us with more information on that subject? I asked him the question and he simply denied that he had owned it.

[English]

The Chair: Mr. Guimond—

Mr. Michel Guimond: He will answer?

The Chair: Yes, he can answer.

Mr. Derrick Snowdy: Our investigation revealed that they are an escort agency operating in Toronto, Montreal, Vancouver, and Whistler. Mr. Gillani made the statement that he was an equity or a silent partner in the venture. That was his claim to business associates, etc.

The Chair: Thank you very much.

Mr. Snowdy, when Madam Coady asked for documents, could you repeat what you said so that legal counsel can give his opinion on that matter?

Mr. Derrick Snowdy: The private investigators licensing act in Ontario, which regulates the work product of private investigators, holds that information confidential to the client and under the purview and review of the Ontario Provincial Police detachment assigned to scrutinize and maintain private investigators. As such, disclosure of any work product without the client's consent or through direction of the OPP is prohibited under the act.

I'm sure there's a format here to follow to accomplish the committee's interest. I know Mr. Groot's not permitted to respond, but he is an expert on the topic, if you want to address him.

The Chair: Would you like to address him?

Mr. Richard Denis (Procedural Clerk): Certainly. Thank you, Madam Chair.

Despite the provincial letter we're talking about here, there's no problem with the committee asking for the documents. The committee can send for records and they can even be summoned. They're protected, however, by parliamentary privilege, and as we know, they cannot be used in another place.

However, given the confidential nature of the documents Mr. Snowdy is referring to, the committee might want to consider a mechanism by which the confidential tabled documents could be protected by either looking at them in camera or by finding a way of looking at them so that some of the information is protected. It's for the committee to decide how they want to deal with the situation.

The Chair: Thank you very much.

We will now go to Mr. Brown for eight minutes.

Mr. Patrick Brown (Barrie, CPC): I'm sharing my time with Mr. Gourde. He's going to begin.

[Translation]

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

Mr. Snowdy, thank you for being with us today to assist us in broadening our study of the renewable energy projects financed by

the government. Unlike by opposition colleagues, I'm going to focus my questions on the subject the committee agreed to examine today.

Mr. Snowdy, have you previously had any business dealings with Mr. Jaffer and Mr. Glémaud or with other individuals from the Green Power Generation Corporation?

[English]

Mr. Derrick Snowdy: No.

[Translation]

Mr. Jacques Gourde: Mr. Snowdy, have you previously been engaged in business relations specifically concerning renewable energy projects with the Government of Canada?

[English]

Mr. Derrick Snowdy: No.

[Translation]

Mr. Jacques Gourde: Do you have any other information related to the committee's study of renewable energy projects funded by the Government of Canada that you would like to share with us today?

[English]

Mr. Derrick Snowdy: I can't think of anything related to this case that touched on any government program, sir.

[Translation]

Mr. Jacques Gourde: Thank you very much, Mr. Snowdy. I believe it is clear, in light of the answers you've given me, that that my next questions will not likely be related to the study we have to conduct today in committee. I would like to share the rest of the time allotted to me with my colleague Patrick Brown.

• (1555)

[English]

The Chair: Go ahead, Mr. Brown.

Mr. Patrick Brown: Thank you, Madam Chair.

I think it's very important to know everyone involved in this entire affair, which has certainly sparked a lot of interest amongst parliamentarians and those around the country.

The first question I have for Mr. Snowdy is this: does the president of the Liberal Party, Alfred Apps, have a relationship with Nazim Gillani?

Mr. Derrick Snowdy: That was one of the situations we grappled with on April 8. Mr. Gillani had made representations that he was represented legally by Mr. Alfred Apps at Fasken Martineau. I did some investigating and found out that indeed Mr. Apps did work for Mr. Gillani. In fact, Mr. Gillani had paid a retainer to Fasken Martineau with respect to litigating one of Mr. Gillani's previous victims into bankruptcy. The counterclaim to that action was a cookie cutter for Mr. Gillani's other fraudulent business activities. That case was transferred from Fasken Martineau to another Toronto law firm to litigate. I've actually tracked down the email in which Mr. Gillani discusses with counsel of the other firm the transfer of the retainer from Fasken to their firm.

Mr. Apps had been Mr. Gillani's counsel in that matter and in fact helped to construct one of the issues. One of the fears my client had was of being litigated by Mr. Gillani and Mr. Apps when they came forward, as he did bankrupt the other victim.

In that matter, that case is an Ontario Superior Court case, 07-CV-329370PD3, and the counterclaim to that action from the defendants is, as I said, the cookie cutter for how these other frauds were committed. The email attached to the back of it in the affidavit refers back to the issue at Fasken, and I did call Fasken and spoke with a clerk with respect to identifying their case file representing Mr. Gillani.

The issue my client dealt with on the day was that as things spiralled out of control here in Ottawa and Mr. Ignatieff was calling on the Prime Minister for information on Ms. Guergis.... I mean, eight days before, he was calling for the woman's head on a platter, and now he was taking certain conduct.... My clients were getting more and more nervous, knowing full well that Mr. Apps was the getaway driver for Mr. Gillani in a previous encounter.

I did research this morning, and apparently this court file is missing from the Toronto courthouse, but, luckily enough, I have a copy of it.

Mr. Patrick Brown: It would be interesting to have a copy for the committee.

We speak about the getaway driver for Mr. Gillani. Mr. Apps, once again, is the president of the Liberal Party of Canada. Is there anything else that you'd like to add to this relationship that you found in your investigations? Is this a relationship that only ended once this became a national issue?

Mr. Derrick Snowdy: I'm sorry; is that with respect to Mr. Gillani and...?

Mr. Patrick Brown: It's with respect to the relationship between Mr. Gillani and Mr. Apps.

Mr. Derrick Snowdy: As far as I understood, Mr. Apps was trying to distance himself from Mr. Gillani for a while, but he was in full knowledge of Mr. Gillani's business activities. I understand that Mr. Gillani even sent out an email as recently as a month or two ago that indicated Mr. Apps had referred business to him. I believe that was in March of this year.

Mr. Patrick Brown: That was in 2010.

Mr. Derrick Snowdy: That's my understanding.

Mr. Patrick Brown: Okay.

I understand that the file has been transferred to.... What is the name of the firm it has been transferred to?

Mr. Derrick Snowdy: It was transferred to the firm Teplitzky, Colson.

Mr. Patrick Brown: Do you know when it was transferred to that firm?

Mr. Derrick Snowdy: I don't know when it was transferred to that firm. I believe their file number should go by the court file number for the Superior Court with the respect to the dates, but I can tell you that they severed, or attempted to sever, the relationship with him on May 28, 2008. This case was in Mr. Gillani's previous incarnation, before ISI Investments, which was created synonymously with ISI

Funds. ISI Funds is a very reputable financial institution, but he structured the name similarly.

This financing company or venture capital firm that Mr. Gillani was operating at that time was known as Otnorot Holdings, which is just "Toronto" spelled backwards. It wasn't very creative.

• (1600)

Mr. Patrick Brown: We understand from the media reports that when there was this information you found, you also contacted the Liberal Party. Was one of the motivations for contacting the Liberal Party the relationship with Mr. Apps and Mr. Gillani?

Mr. Derrick Snowdy: I had no personal motivation to contact the Liberal Party. What's lost in translation here is that I phoned a direct number that was not exactly the number listed in the phone book. I was given that number directly by a friend, associate, and client named Mark Kealey, who is a prominent Liberal fundraiser and active Liberal. I consulted with him throughout the day, as he had previously been CEO of a company that had been defrauded by Mr. Gillani.

As we watched the circus going on up here, bluntly put, we all felt it was spiralling out of control, and he said, "You've got to let these guys know what we know to slow this down."

Mr. Patrick Brown: Do you have any idea why Mr. Gillani failed to mention who his getaway driver was? Is there any reason why he would have kept that secret?

Mr. Derrick Snowdy: You'd have to ask Mr. Gillani.

The Chair: Mr. Brown, you have five seconds left.

You can answer the question. Did you answer his question?

Mr. Derrick Snowdy: No questions, ma'am.

The Chair: Okay, thank you.

We now go to Mr. Martin for eight minutes.

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

Mr. Snowdy, when you were undercover and meeting with Mr. Gillani, he led you to believe that he could set up or had set up bank accounts in Belize to use as shell corporations, or whatever people use offshore bank accounts for. In an interview with the CBC, you said that you actually picked out a name of a shell company in Belize. He said that it was already held by Mr. Jaffer and that he would put you in touch with Mr. Jaffer and you could talk about that.

Do you remember the name of the company on the list that he said was actually being held for Mr. Jaffer?

Mr. Derrick Snowdy: I actually know a bit about these types of transactions. Part of my investigative field is these types of transactions and financing. What I said to him was that I'd take the top three oldest incorporations.

Now, if I were interested in conducting offshore activities that way, the reason I would want the three oldest commercial companies is that once they're past the incorporation date by a year, under some Central American banking agreements they qualify for commercial credit. If you were going to wash money through—deposit stock, sell it, and deposit the cash into an account—what you would do then is get a corporate credit card, say a Visa or MasterCard, and you would just spend money paid into that account, rather than try to take cash out through an ATM machine, which is what Mr. Gillani was suggesting: creating ATM machines in Central American banks, and people would draw it out here at white-label machines.

Mr. Pat Martin: Okay, fair enough.

Mr. Derrick Snowdy: That was the reason I asked him. He said that these were reserved for Rahim and his wife, and he said, "I can hook you up if you need to talk."

Mr. Pat Martin: Do you remember the name?

Mr. Derrick Snowdy: It was strange. Belize was strange. To get the top three, I'd have to go back to the actual list.

Mr. Pat Martin: Could you share that with us? We need a few more specifics about those top three. Obviously, we'd be interested in knowing the veracity of that.

Mr. Derrick Snowdy: I'll have to look at my copy of the list. I think I may have given my final copy to the RCMP—

Mr. Pat Martin: I see.

Mr. Derrick Snowdy: —but I will try to find that for you, and I can submit it to the committee through your clerk.

Mr. Pat Martin: Okay, that would be interesting. Thank you.

The other thing is that in August 2009, you were working for HD Retail Solutions Inc. They were getting angry or restless because the venture capital they were promised wasn't coming through. You said that a figure of about \$5 million was what Gillani led them to believe they could get in terms of a loan from the green infrastructure fund. That money didn't seem to be forthcoming.

Had they paid for this money? Did they put some money up so that Mr. Gillani could get them this money from the green infrastructure fund?

Mr. Derrick Snowdy: They had paid him a venture capitalist fee. A consulting fee is probably the better phrase that most people would recognize, but there were numerous levels to how this scheme was to play out. Some were commissions on grants. Some was paying for loans. Some was selling these offshore corporations to nominee account holders.

Mr. Pat Martin: The only part of it that really is relevant to us is whether this honest company you represented was led to believe that Gillani, through Jaffer, could get access to the green infrastructure loan money.

Mr. Derrick Snowdy: Absolutely.

Mr. Pat Martin: They were told by Gillani—

• (1605)

Mr. Derrick Snowdy: They were coached.

Mr. Pat Martin: I'm sorry?

Mr. Derrick Snowdy: They were coached.

Mr. Pat Martin: Could you explain that?

Mr. Derrick Snowdy: Their business model is to assist companies in renovating and in marketable storefronts, and so on, and changing those programs. The president of HD reported back to me that at the meeting at La Castile he was coached by Mr. Gillani and Mr. Jaffer to present green initiatives for the company in front of Mr. Glémaud and the others.

I'll give you an example. One idea would be that they would rewrite their business model to suggest that they would replace incandescent lighting with compact fluorescent bulbs. The other example was that they would streamline the delivery of inventory management systems using hybrid vehicles and recycled tires. Basically, it was to spin their business model—

Mr. Pat Martin: They would custom-craft—

Mr. Derrick Snowdy: —or custom-craft their model.

Mr. Pat Martin: —their application to fit the criteria of this green investment fund.

Mr. Derrick Snowdy: That's correct.

Mr. Pat Martin: That's interesting. Okay, thank you.

You took your story to the Liberals and the Conservatives. You didn't bring it to the NDP. I'm feeling a little hurt.

Mr. Derrick Snowdy: It's probably not the first time.

Mr. Pat Martin: I'm interested in knowing a little bit more about the cellphone pictures. I believe you said in an interview that when Gillani said Mr. Jaffer would be taking a substantial portion of one of these public ventures, you asked him, "How are you going to control him?"

Mr. Derrick Snowdy: That's correct.

Mr. Pat Martin: He said, "Not to worry, I partied with Mr. Jaffer and his wife", and he wagged his cellphone at you. You took that to mean that he had something he could use against Mr. Jaffer.

Mr. Derrick Snowdy: Two weeks later, we took it at that. I originally thought he was going to call him. They're social; maybe they were going to party. It wasn't until I knew about the cellphone photos that were used to intimidate and blackmail the other principal that it became clear: okay, it's the cellphone, the camera. Then we found out a couple of days later that indeed he had been using the cellphone to photograph people regularly—and not just that particular individual—at Club Paradise while they received lap dances and other backroom favours, so there was a—

Mr. Pat Martin: Backroom favours, as in...? Well, it would be whatever happens—

Mr. Derrick Snowdy: Whatever happens, yes.

Mr. Pat Martin: —in the backroom of a strip club. I see.

Mr. Derrick Snowdy: So it was all piece by piece by piece as it went through. That's exactly, to be clear, the type of discussion I had with Arthur Hamilton.

Mr. Pat Martin: Why do you think the Prime Minister acted so swiftly to fire Helena Guergis?

Mr. Derrick Snowdy: Do you want me to speculate?

Mr. Pat Martin: Yes.

Mr. Derrick Snowdy: Perhaps it was for the same reason that we had some concern. The concern here is optics. Bluntly put, sir, on March 31 the leader of your party and the leader of the Liberal Party were calling for this woman's head on a platter, and had been doing so quite regularly.

Now, as the story broke.... I think it's very important here to understand that I was contacted by the *Toronto Star*, which was already working a story with respect to this. I consulted with the clients, and they allowed me to speak on certain topics. I had spoken to the *Star* at the beginning of March. When that story came out on April 8, weeks later, I was already scheduled to leave on a business trip on Sunday morning. The first calls I got were saying, "We didn't want to talk about this." I said, "Well, I have news for you: I didn't. This is Mr. Donovan's investigation. He's done a hell of a job. He has own sources—"

The Chair: Mr. Martin, you have 45 seconds, if you want to use that time.

Mr. Pat Martin: Maybe we can get to that on the next round.

In the bit of time that I have, your primary client, then, was a Mr. Dennis Garces at HD Retail, and that's really why you went undercover: to try to find out more about Mr. Gillani, because Gillani wasn't coming through with promises he made to HD Retail.

Mr. Derrick Snowdy: The initial proposition Mr. Gillani made did not fit with traditional venture capitalist presentations. Having previously been involved in investigating these types of schemes in other cases, I was well aware there was a dark side to this and that it was not on the up and up.

The Chair: Thank you.

Thank you, Mr. Martin.

We'll go to the second round of questions.

Go ahead, Mrs. Mendes, for five minutes.

Mrs. Alexandra Mendes: Thank you, Madam Chair.

Good afternoon, Mr. Snowdy.

Since April 9, have you had any other dealings with the Conservative Party or members of the Conservative Party?

Mr. Derrick Snowdy: Other than speaking with Arthur Hamilton a few times, I have not spoken to any Conservative member of Parliament or any.... Sorry, I did speak with my riding executive, exchanging some cursory pleasantries, but the only person I've spoken to is Arthur Hamilton.

• (1610)

Mrs. Alexandra Mendes: Going back to Mr. Hamilton, could you perhaps give us more examples of the discussions you had with

him, or specific examples of what you discussed with him in that first phone conversation?

Mr. Derrick Snowdy: In the first phone conversation on the Thursday evening, April 8, I actually spent an hour just detailing with him the extent of Gillani's background. I will tell you exactly what I said to him. I said, "Among these crazy and outlandish claims he makes while soliciting business for his plans and schemes"—

Mrs. Alexandra Mendes: We're talking about Mr. Gillani here?

Mr. Derrick Snowdy: That's correct.

The problem was that some of the most outlandish things he said were coming true. He would hit the craziest ones out of the park as being factual. He would say, "I'm doing business with Mr. Jaffer, and he's a partner." Well, what do we know? We know that he did do business with Mr. Jaffer, or he was in a relationship.

He sent out a text message to someone on the night of September 12 saying, "I'm out to dinner with Rahim and his wife, the minister." We went and checked, and sure enough, he was out with her. He'd indicated that he had connections to members of organized crime from the west coast; we made some inquiries and found out that he did attend a party in the company of some known members of organized crime out west.

He was already in very weird situations. His—

Mrs. Alexandra Mendes: We are talking about Mr. Gillani.

Mr. Derrick Snowdy: Absolutely.

Mrs. Alexandra Mendes: How did this tie in with Mr. Jaffer or Ms. Guergis?

Mr. Derrick Snowdy: Mr. Jaffer is Mr. Gillani's business partner. They are in a business relationship. This comes back to Mr. Martin's question: this is an issue of optics. When the Minister for Status of Women is dining in a restaurant with a man awaiting trial on serious crimes and with a history of serious criminal activity, and the man is with an escort and is a business partner of Mr. Jaffer, given the recent attention she had received, you tell me how the Hill here would have responded to that photograph or that video showing up. You'd be back in it.

Mrs. Alexandra Mendes: Were any allegations of a criminal nature discussed with Mr. Hamilton?

Mr. Derrick Snowdy: Do you mean allegations related to whom, ma'am?

Mrs. Alexandra Mendes: I mean related to Mr. Jaffer and Ms. Guergis.

Mr. Derrick Snowdy: There were none related to Ms. Guergis, but I had serious concerns about the structure in which the deals were being negotiated with Mr. Jaffer and Mr. Gillani. They paid serious interest into schemes that I was familiar with.

Mrs. Alexandra Mendes: Could you elaborate? What kind of schemes are you talking about?

Mr. Derrick Snowdy: During my career as an investigator, I've worked on some pump-and-dump and market manipulation scheme investigations, both with lawyers and with individual clients. Those are mostly found in what's known as Project Ora, Project Ora II, and Project Elden, which are the RCMP code names for those projects.

Mrs. Alexandra Mendes: Are these the allegations that the RCMP is looking into?

Mr. Derrick Snowdy: I couldn't speak for the RCMP, ma'am. You'd have to ask Inspector Kueper.

Mrs. Alexandra Mendes: Well, you have met with the RCMP. You gave them documents that you say are not yet in the public domain. Can you provide the committee with those documents?

Mr. Derrick Snowdy: I think I probably could get copies from Inspector Kueper, or retrieve—

The Chair: Ms. Mendes, you have one minute.

Mrs. Alexandra Mendes: Thank you very much.

Something that struck me from the interview you gave on April 28 was that you seemed to indicate you were aware that the Prime Minister was going to hold the press conference in which he was going to announce Minister Guergis's dismissal, if you wish, or resignation. How did you know about this beforehand?

Mr. Derrick Snowdy: On the morning of April 9, Arthur Hamilton phoned me and asked if I would come to his office to see him for a few minutes. I drove downtown; I went to see him. While I was sitting in his office, we spoke for about half an hour, at which point in time Mr. Hamilton said, "I've spoken about these issues with the Prime Minister. Obviously the minister has been under other scrutiny for the last 18 months with respect to her other conduct issues. When the Prime Minister leaves the Vimy memorial service today, he will be holding a press conference and announcing that he has accepted her resignation." I thought this a strange fact. Recently everybody has been saying that he fired her, and in fact she resigned. I was told about 20 minutes before it happened.

The Chair: Thank you.

We now go to Monsieur Guimond.

Vous disposez de cinq minutes, s'il vous plaît.

[Translation]

Mr. Michel Guimond: Thank you, Madam Chair.

Mr. Snowdy, following a series of questions that I put to Mr. Gillani in committee two weeks ago, the latter told us he wanted to file suit against us. Did he do so?

• (1615)

[English]

Mr. Derrick Snowdy: He has not done so that I'm aware of, but I welcome that opportunity.

[Translation]

Mr. Michel Guimond: Has he sought an injunction to prevent you from presenting the results of your research? He was categorical on the subject.

I was trying to understand. I asked him why had you made those revelations about him rather than taking an interest in me, for example. So he hasn't sought an injunction against you to prevent you from speaking.

[English]

Mr. Derrick Snowdy: I think Mr. Gillani has finally realized that while he was focused on me as an individual, he forgot that he

presented this scheme in the company of others, and that attempting to restrict me in any way, shape, or form isn't going to do him a lot of good unless he enlists everyone else. When he presented the list of offshore companies, because we stepped aside while he did it to me, he forgot that he had done it 30 seconds earlier to a group of 10 people.

I think the other reason is that currently his lawyer, Mr. Michael J. Taylor, is serving his third suspension from the law society for failure to cooperate with an investigation. As far as I know, currently the only person he has representing him is a pet photographer.

Voices: Oh, oh!

[Translation]

Mr. Michel Guimond: As far as you know, how does Mr. Gillani earn his living? What does he do? With you, he seemed to say he was doing a lot of canvassing, that he was making contacts, without necessarily getting a lot of contracts. He seemed essentially to be canvassing. How do you think he earns his living?

[English]

Mr. Derrick Snowdy: I'd say through serial fraud.

[Translation]

Mr. Michel Guimond: If I summarize your testimony—I won't put any words in your mouth, but I'd like you to tell me whether you agree—you're simply telling us that Mr. Gillani is a con man. Is that correct?

[English]

Mr. Derrick Snowdy: Yes.

[Translation]

Mr. Michel Guimond: You're also saying that Mr. Gillani is an individual whom one would do better to avoid. Is that correct?

[English]

Mr. Derrick Snowdy: Absolutely.

[Translation]

Mr. Michel Guimond: I'm now going back to his relations with Rahim Jaffer, former Conservative member of Parliament and former President of the National Conservative Caucus. How could a man like Gillani be interested in doing business with Rahim Jaffer? What do you think was the benefit of doing business with Rahim Jaffer?

[English]

Mr. Derrick Snowdy: All successful con artists work a scheme of communication and confidence. From what I've seen of Mr. Gillani's conduct, this is a confidence game. In this case, Mr. Gillani earned the confidence of a family member who had access to Mr. Jaffer and arranged the introduction of the two of them. I believe he has made a reference to sharing a religious affiliation with Mr. Jaffer.

[Translation]

Mr. Michel Guimond: Yes, if I pursue the thought, earning Mr. Jaffer's confidence also meant securing the contacts that the latter could provide him, political contacts among the Conservatives that Mr. Jaffer could provide him.

Mr. Gillani does not deny that he sent an email on Friday, September 11. In that email, he said he had had quite an overwhelming experience the previous evening, during a dinner with Rahim Jaffer and Dr. Chen. He said that Mr. Jaffer had opened the door of the Prime Minister's Office to them.

What do you think does opening the door to the Prime Minister's office mean?

The Chair: Mr. Guimond, this will be your last question.

Mr. Michel Guimond: That's not true, Madam Chair?

We're going to let Mr. Snowdy answer.

[English]

Mr. Derrick Snowdy: That email to me and to the clients was interpreted to mean that if they were doing business with Mr. Gillani and paying Mr. Gillani his fees, he would utilize his business relationship with Mr. Jaffer to find government grants and fundings for them to continue and finance their business.

•(1620)

[Translation]

The Chair: Thank you.

[English]

Thank you.

We now go to Mr. Brown for five minutes.

Mr. Patrick Brown: Thank you, Madam Chairman.

I want to follow up on the first round of questioning.

Originally when this issue came to the forefront in the House of Commons, we saw Liberal MPs such as Wayne Easter saying ferociously that Helena Guergis should be kicked out of cabinet, and it couldn't have been a day too soon. All of a sudden that changed, and then it was, "How come you kicked Helena Guergis out of cabinet?" This makes me wonder why we've seen this change in the Liberal Party position. Maybe it has to do with the person that you described as the getaway driver for this serial fraudster, as you have described Mr. Gillani.

Could we start off by having you describe what you meant when you said "getaway driver" in reference to Alfred Apps, who, once again, is the president of the Liberal Party of Canada?

Mr. Derrick Snowdy: Obviously when you retain a lawyer to represent you and act in your interests, the lawyer becomes privy to your conduct and your matters.

In the case of Aerofoam Metals, Mr. Gillani holds them out as his client, and a successful client, when in fact they were not a client of ISI, but a client of his previous company, Otnorot Holdings. These people were looking to them to support their business, to finance them, to allow them to continue in the business. When they objected to Mr. Gillani's conduct—they were paying for moneys, and he was receiving moneys from investors, but never forwarding it on to them—and decided they'd try to walk away from Mr. Gillani, he used the legal process to put a claim against them, to burn up the remaining capital, and basically to force the company into an insolvent position.

The lawyer involved in getting that together obviously becomes aware of how his client conducts himself, and the counterclaim to that action lays out Mr. Gillani's egregious conduct in technicolor.

The person who uses the squeeze.... Mr. Apps is not an associate at a small firm. When Mr. Gillani embarks on dragging someone whose name is important into his business dealings, obviously there's a bit of fear and intimidation that comes with it. My interpretation of that is that this is somebody who had full knowledge of how Mr. Gillani conducts himself.

Mr. Gillani was very much the subject of that article in the *Toronto Star* on April 8, so when you have a....

Mr. Patrick Brown: You believe Mr. Apps had full knowledge of the way Mr. Gillani conducted himself.

Mr. Derrick Snowdy: Absolutely. Mr. Gillani told people that Mr. Apps represented him. We found Mr. Apps' fingerprints on this litigation, and it's a cookie cutter for the other frauds he committed.

Mr. Patrick Brown: He wasn't only the getaway driver; you also said previously that he sent him business.

Mr. Derrick Snowdy: I recently learned that as recently as March of this year, an email was sent from Gillani representing that potential clients had been referred to him by Mr. Apps. I understand that Mr. Apps has interpreted his meeting with Mr. Gillani in March a little differently, but again, prior to all of this hullabaloo, they were known to one another and in fact did have a previous relationship.

Mr. Patrick Brown: This sounds like a much closer relationship than what is typical between a lawyer and a client. I practised law before politics. I never got involved in recommending business to clients. It seems an unusual step.

Do you know when the relationship began between the president of the Liberal Party and Mr. Gillani?

Mr. Derrick Snowdy: I do not.

Mr. Patrick Brown: Is it possible that it dates significantly far back?

Mr. Derrick Snowdy: I would say it goes at least three or four years back, to 2006 or 2007 at least, and possibly longer.

Mr. Patrick Brown: Is it possible that Mr. Gillani has a relationship with other prominent Liberals?

Mr. Derrick Snowdy: I couldn't speak to that. I don't know.

Mr. Patrick Brown: Do you have any information on the proximity of the relationship with Mr. Apps and Mr. Gillani? Do you know if they met often, or was it more infrequent?

Mr. Derrick Snowdy: I don't know. My only knowledge of Mr. Apps and Mr. Gillani is Mr. Gillani's telling the partnership at HD Retail that he was represented by Mr. Apps in his legal matters, and then confirming that they did have a relationship going further and to know that Mr. Apps had actually—

•(1625)

The Chair: Mr. Brown, your time is up; I'm sorry.

Go ahead. Finish that sentence.

Mr. Derrick Snowdy: —that Mr. Apps had actually been involved in that conduct with him.

The Chair: Thank you.

We now go to Ms. Coady for five minutes.

Ms. Siobhan Coady: Thank you very much.

I'm interested in a couple of things that you have said. First of all, you said you met with Arthur Hamilton several times. That is what you said a few moments ago.

Where did you meet Mr. Hamilton? When did these meetings occur?

Mr. Derrick Snowdy: Including the April 9 meeting, I think I met with Arthur a grand total of four times. The meetings were always at his office.

Ms. Siobhan Coady: Was anyone else present at those meetings, or was it just you and Mr. Hamilton?

Mr. Derrick Snowdy: It was just me and Mr. Hamilton.

Ms. Siobhan Coady: What did you discuss? Were you continuing to discuss Mr. Jaffer's involvement with Mr. Gillani? Was that the general topic over those four meetings?

Mr. Derrick Snowdy: Yes, I would say the topic would have been Mr. Jaffer and Mr. Gillani.

Ms. Siobhan Coady: Did you go into details on exactly what your client's concerns were? You said that in the original meeting you were having a discussion in which he would put up a scenario and you'd agree with the scenario. Did that continue through four meetings?

Mr. Derrick Snowdy: No. Obviously, after the events started to unfold.... It's important to remember that I had some clients who thought I disclosed details of other investigations to the *Toronto Star*, when in fact the *Toronto Star* had done its own work.

Ms. Siobhan Coady: Sure. You've established that fact.

At the first meeting, you did "Could this happen?", and you did a yes or no. At the other three, were you presenting evidence to Mr. Hamilton on the relationship between Mr. Jaffer and Mr. Gillani?

Mr. Derrick Snowdy: Mr. Hamilton is a securities lawyer, so I was able to speak with him more specifically about the mechanics of the type of scheme Mr. Gillani was constructing and how he had compensated other silent partners, if you will, which would have included a compensation scheme for Mr. Jaffer.

Ms. Siobhan Coady: So you did get to the compensation scheme for Mr. Jaffer. I read the review in the *Toronto Star* in which they talked about the promised \$5 million. I have seen the emails that talk about how excited they all were about this.

I have a short period of time. As you know, when the Prime Minister stood in the House, he talked about having received information from a reliable source. Are you the reliable source?

Mr. Derrick Snowdy: You would have to ask the Prime Minister.

Ms. Siobhan Coady: Do you think you're the reliable source?

Mr. Derrick Snowdy: I started to ignore the media reports on this almost as soon as they started. They got as much wrong as they got right.

Ms. Siobhan Coady: Do you know of any other source the Prime Minister may have had?

Mr. Derrick Snowdy: I'm sure the Prime Minister has several resources.

Ms. Siobhan Coady: On this issue, do you know of any other source he may have had who was speaking to Mr. Hamilton about these issues prior to the announcement?

Mr. Derrick Snowdy: There are none that I'm familiar with.

Ms. Siobhan Coady: You said earlier that Madam Guergis was—I wrote it down—under scrutiny for 18 months for conduct. Could you explain what you meant by that?

Mr. Derrick Snowdy: We had a brief discussion with respect to the attention the opposition parties were paying to her over the previous 12 to 18 months—

Ms. Siobhan Coady: Can you be specific on that? I don't mean the recent ones of February in P.E.I., but over the 18 months....

Mr. Derrick Snowdy: I think it went back.... I'm not sure what the earliest issue was, going back. I'd have to look. It wasn't a formalized conversation.

Ms. Siobhan Coady: Did anything you said to Mr. Hamilton in any way implicate Ms. Guergis, apart from that one dinner with Mr. Gillani and being married to Mr. Jaffer?

Mr. Derrick Snowdy: I'm sorry; could you repeat that?

Ms. Siobhan Coady: Did you say anything or did you speak to Mr. Hamilton about anything to implicate Madam Guergis, apart from that one dinner with Mr. Gillani and being married to Mr. Jaffer?

Mr. Derrick Snowdy: We discussed some coincidences with respect to the case. As an example, of all the offshore banking havens around the world, why was Belize on this list? I mean, it was a strange country to have on a list.

Ms. Siobhan Coady: Is there anything else beside Belize?

Then I need to table a document.

Mr. Derrick Snowdy: I can't think of anything off the top of my head. Arthur and I both agreed we probably should have recorded the meeting, just for our own sakes, at this point.

Ms. Siobhan Coady: I also have to table a statement, Madam Chair, from Fasken Martineau. It begins by saying:

Fasken Martineau, a leading international business law and litigation firm, made the following statement concerning comments made today before a House of Commons committee.

Mr. Brown was referring to it in his questioning.

In November 2006, Mr. Nazim Gillani of International Strategic Investments approached Fasken Martineau through one its partners, Alfred Apps, in connection with legal advice/services for International Strategic Investments.

Mr. Apps met with Mr. Gillani, received documents from Mr. Gillani and accepted a retainer cheque from Mr. Gillani...

Very shortly thereafter, Fasken Martineau declined to act on behalf of International Strategic Investments. Mr. Apps so advised Mr. Gillani and returned the retainer to Mr. Gillani.

I'd like to table this.

● (1630)

The Chair: Fair enough.

Thank you, Ms. Coady.

We will now go to Mr. Warkentin for five minutes.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chair.

Obviously we don't have Mr. Apps here today. We have Mr. Snowdy, but the question I'd ask Mr. Apps is about the statement that the relationship was discontinued shortly thereafter. They don't specify the length of time in that statement. We would certainly be interested at this committee as to how long that relationship continued.

I'm wondering, Mr. Snowdy, if you know when the relationship with that law firm... Earlier you referred to some documents that relate to the relationship. Do you have any dates on those documents?

Mr. Derrick Snowdy: There are dates on the statement of claim, the counterclaim, and the affidavit from the lawyer acting for Teplitsky, Colson, who's now over at Blaney McMurtry.

The "07" obviously indicates that it is a 2007 court matter, and the email with respect to the application to be removed from the action, submitted as an item to support the affidavit of the applying counsel, was dated March 10, 2008.

Mr. Chris Warkentin: Okay, so there was action initiated by Mr. Apps' firm. It wasn't simply a returning of the documents. You're suggesting that, in fact, there was—

The Chair: I have a point of order. Go ahead, Mrs. Mendes.

Mrs. Alexandra Mendes: I would like to ask, Madam Chair, that those documents be tabled, please.

The Chair: Thank you. Do you mean the statement of claim?

Mrs. Alexandra Mendes: Yes.

The Chair: Can the committee have the counterclaims as well, please?

Mr. Derrick Snowdy: Sure. I'll give them to Mr. Girard.

The Chair: Thank you. Continue on.

Mr. Chris Warkentin: Thank you, Madam Chair.

I think that would be helpful. We all would be interested in those documents, because I think they may help establish the timeframe in which this cozy relationship continued.

Today we've covered a number of different things. Obviously, as you stated earlier, we've had a committee meeting that discussed many things, but we didn't get too much discussion as it related to renewable energy projects. You stated earlier that you had little or no information as it related to the green fund. I want to clarify that again. Do you have any information as it relates to funds being allocated to different projects from the green fund or things that are funded by the government for renewable energy projects?

Mr. Derrick Snowdy: I don't, not that I'm aware of.

Mr. Chris Warkentin: Okay.

Madam Chair, the motion that we originally had in this committee was related to those types of projects. We were very interested, as a committee, to ensure that taxpayer dollars weren't going to places that they shouldn't have gone. Clearly today we haven't moved forward in terms of that study. Certainly we appreciate the

information that you've brought, Mr. Snowdy, but to be honest, it is of limited relevance to the study that we're currently undertaking. You've already stated in general terms that you have no information as it relates to renewable energy projects that are funded by the government either.

Madam Chair, I think we have some committee business that we would like to attend to in this committee. There are probably other people who would like to ask questions, so I will turn my time over to those members, and then I think we should get on with the committee business.

The Chair: This is the will of the committee. The study is being done, and Mr. Snowdy was the chief architect of information, so I would like to—

Mr. Chris Warkentin: I would just comment, Madam Chair, that I think we are going down a slippery slope of devolving into a kangaroo court, and I certainly wouldn't want our committee to be viewed in that way. I want to have that on the record.

The Chair: Okay, thank you. We now go on to Monsieur Guimond.

[*Translation*]

You have five minutes.

• (1635)

Mr. Michel Guimond: Thank you, Madam Chair.

Mr. Snowdy, when I asked you how you thought Mr. Gillani earned his living, you answered in a direct manner. I ask you the same question concerning Mr. Jaffer. How do you think he made money? His association with Mr. Gillani was not a charitable or philanthropic organization. Mr. Jaffer and Mr. Gillani told us, when they testified, that they had not made a lot of money, but that they had done a lot of canvassing. How could Mr. Jaffer earn money?

[*English*]

Mr. Derrick Snowdy: It would be through Mr. Gillani's schemes and the way this system works and plays.

I believe it's you, sir, who has a very good source for some of this information. I think you asked Mr. Gillani about the Skias deal. It struck a note. Not many people knew about the Skias business deal, but let me use that as the example of how Mr. Jaffer would then be compensated in this scheme.

Am I correct, sir, that it was you who asked Mr. Gillani about the Skias business arrangement? No, I see that it was Mr. Martin.

Skias was supposed to be a 100-million-share shell deal from a U. S. company. It would then be rolled out to supposed investors in a pump-and-dump scheme at \$1 a share, so it was a \$100 million business venture. I'm sure we've all seen documents on these types of legal activities; they're copious, and Greenpeace has a fit over the number of trees that are cut for paper.

This is Mr. Gillani's business deal for the \$100 million deal: it's one page long, it's four paragraphs, and it's how to obtain the shell corporation.

The shares in that shell corporation are then distributed to nominee account holders, the purpose of which is to avoid the regulations in the securities industry for disclosing more than 10% ownership. Mr. Gillani constructed this list of nominee shareholders by which people would receive shares in the company, and they included principals in the actual corporation. What Mr. Gillani forgot to do when he did this deal was to include himself as a person receiving shares, but all of his nominee shareholders, their children, and various holding companies, etc., are on this list.

This is how Mr. Jaffer would have made money. I think the reference that the *Toronto Star* reported on was Wright Tech. If we take Wright Tech as an example and say that they're rolled into a shell deal, what would then happen is that a corporation or an individual account at an investment firm or at an offshore bank would be established, and stock in that company would be deposited into those accounts and then sold into the public market during the promotion phase of the market manipulation activity. That's how Mr. Jaffer could be compensated. It would be in accordance with Mr. Gillani's previous schemes.

[Translation]

Mr. Michel Guimond: So that involves offshore bank accounts, which takes us to Belize. From what we've observed, at least three companies were reserved for him and his wife in Belize, which is a world-renowned tax haven. Is that correct?

[English]

Mr. Derrick Snowdy: I was informed by Mr. Gillani that accounts had been reserved for Mr. Jaffer and his wife. I think it's important for everyone to understand that Mr. Gillani never mentioned Ms. Guergis by name. He always referred to her as Mr. Jaffer's wife.

[Translation]

Mr. Michel Guimond: Did you know that Ms. Guergis, when she was parliamentary secretary to the Minister of International Trade, went on an official mission to Belize? I don't have the date of that trip at my fingertips.

[English]

Mr. Derrick Snowdy: That was one of those serendipitous circumstances we stumbled upon when we made some inquiries as to why it was Belize, of all the offshore tax havens. It raised some questions in our investigative process. Why not Liechtenstein? Why not the Isle of Man? Why Belize, and not other well-known tax havens? Then we discovered that she had travelled to Belize in the company of Mr. Jaffer, and in that capacity she would have had access to commercial business individuals in that country.

It was either a wonderful coincidence, complicity, or a skillful manipulation on Mr. Gillani's part to pick that country.

• (1640)

The Chair: Thank you.

Go ahead, Mr. Martin, for five minutes.

Mr. Pat Martin: Further about Belize, Mr. Snowdy, in your undercover role you chose the three companies that you expressed an interest in because they had been around for a longer period of time. You said that would have been the best choice because they were established for a year or longer.

Would that indicate to you that Rahim Jaffer would have set them up for a year or longer, or could he have put his name onto them at any time—for instance, during the trip to Belize?

Mr. Derrick Snowdy: As I recall, those companies had actually been incorporated a couple of months after his trip. When you work on this type of thing, you have to postulate some ideas and to theorize, and we thought, well, if you went there, could you have created a relationship, been introduced to people, and over the course of the next month or two opened an account, set up lawyers, and had access to it? Yes, that very much was a working consideration when examining Mr. Gillani's bona fides.

Mr. Pat Martin: Thank you.

Did Mr. Gillani ever tell you that Jaffer had special access or good access to government funds or any influence over the allocation of those government funds?

Mr. Derrick Snowdy: To the three names that I assumed in dealing with Mr. Gillani by telephone and in my meeting with him in person, he never spoke about Mr. Jaffer's direct relationships, saying only that he had the relationship with Mr. Jaffer and it implied all the benefits that the relationship would come with.

Mr. Pat Martin: Your client paid Gillani a ven-cap fee, as you call it, in the hopes of getting a \$5 million loan. Presumably it would be Jaffer's job to help deliver on that \$5 million loan. Again speculating, what do you think would be Jaffer's share of the finder's fee that your client paid to Gillani?

Mr. Derrick Snowdy: A standard fee would have been \$500,000. It's 10%.

Mr. Pat Martin: Wow.

Again, on the pump-and-dump thing, is there not a further element to this market manipulation? The initial offering goes out at a buck or whatever. Some of those principals could have been given a large block of shares at that entry-level fee of a buck a share. You then drive up the value of the shares by whatever means you can. At that point, could the original principals not sell out, and then you can short that stock and manipulate it back down again and buy back in later? Is that the rest of the modus operandi of Gillani?

Mr. Derrick Snowdy: If the corporation was eligible to be shorted, you could short it after you withdrew the market support, whether or not you are paying for that market support in terms of manipulating stockbrokers, promoters, etc. Yes, that's very much a possibility, and you can actually make a lot more money shorting it and covering your short or going long later. Cover the short, go long, and catch it on the double bounce.

Mr. Pat Martin: That is even more sleazy, in my view. You are selling it to the people at the higher rate, and if you know full well you're going to manipulate that stock back down later, you're obviously lying to the people up here who are buying it at \$10 a share.

Mr. Derrick Snowdy: Exactly.

Mr. Pat Martin: It's about as dishonest as it gets, I suppose. Are you saying that's a standard practice that you see in these people who set about manipulating these companies, such as Gillani? Is that a practice they employ?

Mr. Derrick Snowdy: That's a standard scheme.

Mr. Pat Martin: I'll just remind you that if you could remember any of the names of the three companies in Belize that you would have chosen if you were a real investor, or if you could get back to the committee with that, it would be of great interest.

Mr. Derrick Snowdy: I'll give you the actual list. I'll get a copy of it and get it over to you. I'll give it to Mr. Girard.

Mr. Pat Martin: Very good.

The Chair: This will be your last question, Mr. Martin.

Mr. Pat Martin: You said one of the people you went to was Peter Donolo, and you believe the other one was Patricia Sorbara. You phoned their office and spoke to their assistant. You said, "I spoke with an assistant. I asked to be put through to either of them. She said they weren't available", so you left your name, phone number, etc., and neither of them got back to you or were interested in what you had to offer to the Liberal Party.

•(1645)

Mr. Derrick Snowdy: I called them and identified myself. I identified who had given me the number and referred me to them. I told them I was acting on the direction of my client and identified the individual and provided them with my name and number. I told them that I was the investigator who was principal behind this case and that we could provide them with the proper information. This was done as a result of the day's follies.

Mr. Pat Martin: They didn't get back to you.

The Chair: Thank you, Mr. Martin.

Mr. Snowdy, I've just reviewed the documents you've given us. So that the committee is clear on what it is receiving, I would like to read it out. Because it's not bilingual, I'll have to read out what we have received.

We have an ISI deal memo signed by Nazim Gillani, but Israel Goldreich is not signed, with a schedule A with the identity of shareholders, and another ISI deal memo.

The second one I have is your timeline, the ISI-GPG timeline—

Mr. Derrick Snowdy: Madam Chair, that's not my timeline. That's a copy of the timeline that Mr. Gillani produced.

The Chair: Okay, so you're giving it to us.

Mr. Derrick Snowdy: It was just another copy. The interesting part is that when he alleged that we were meeting, I wasn't even in town.

The Chair: Okay, so it's August 20, 2009, and it ends April 13, 2010, with Rahim Jaffer and the trip.

Then there is an email from Nazim Gillani to Ian Harvey.

Then there is one from Nazim Gillani to Michael Mihelic, on January 25, 2010; Canada Revenue Agency, April 6, 2010; and one from Rahim Jaffer to Alexander Prince, dated March 30, 2010.

What you have done is given us the claim and counterclaim. I just want to clarify so the people here know that. It was between Otnorot Holdings and Nazim Gillani and Paul Colacci. It's a statement of claim, and the lawyers—

Mr. Chris Warkentin: Madam Chair, on a point of order, could we maybe have those circulated when they're available?

The Chair: I'll tell you when they're available.

Mr. Chris Warkentin: We have limited time, and I know there are still questions—

The Chair: The reason I am asking is that he mentioned Fasken, and I can't find it here. That's why I want to double-check that I'm not missing anything in here.

Ms. Siobhan Coady: There were other documents that I had asked for in the beginning. I asked for any evidence that was put forward, anything that you have documentation on. I had asked earlier if you would bring that forward. We had a legal interpretation.

Perhaps Mr. Snowdy's client, because he's been forthcoming to Mr. Hamilton, might be forthcoming to this committee as well. I'd appreciate that information.

The Chair: Thank you.

I will now go back to my order.

Go ahead, Mr. Brown.

Mr. Patrick Brown: Thank you, Madam Chair.

My question is similar to yours. I want to touch upon Otnorot. Could you tell us how Mr. Gillani is involved with Otnorot?

Mr. Derrick Snowdy: Mr. Gillani was the owner of Otnorot Holdings.

Mr. Patrick Brown: What information do you have on Fasken Martineau's relationship with Otnorot, or Mr. Apps' relationship with Otnorot?

Mr. Derrick Snowdy: We relied on Mr. Gillani's statement to the clients that he was represented by Mr. Apps, and then we made contact to find out that his retainer to Mr. Apps was with respect to that file and that Mr. Apps had deferred the litigation to Teplitsky, Colson.

That was significant, because during the meeting when Mr. Gillani was trying to sell these offshore companies to individual nominees for HD Retail, he was saying that they should buy an offshore corporation from him for \$7,500 U.S. First of all, I knew that it costs \$3,000 to establish an offshore corporation, not \$7,500, so I knew he was looking to pocket \$4,500 per company from each of these individuals.

He then tried to take his scheme a step further and suggested to everyone at the meeting that locally those offshore corporations were administered by Teplitsky, Colson. Now, Teplitsky, Colson is a litigation firm with no business office. It made about as much sense to me as going to a neurosurgeon for a vasectomy; they weren't compatible, but Mr. Gillani didn't know that I had that knowledge.

Mr. Patrick Brown: When, again, was it transferred to the other firm?

•(1650)

Mr. Derrick Snowdy: You'd have to ask the firm of Fasken Martineau. I'm not sure when they did it.

Mr. Patrick Brown: It says the relationship started in November 2006. The statement that was shared with us by Ms. Coady suggests that it was only a brief relationship. There's no reference at all to their work on Otnorot Holdings.

Mr. Derrick Snowdy: You'd have to go to the affidavit in the file.

Originally Teplitsky, Colson looked to get off the file because there was a payment issue. I had a hard time tracking down Mr. Gillani's support that Mr. Apps was indeed his counsel. I made a pretext call to Fasken Martineau to speak with the clerk, who indicated that Mr. Gillani's file was attached to Mr. Apps.

We further went through the email between Mr. Gillani to David Greenwood at Teplitsky, Colson, wherein he references the retainer coming from Fasken Martineau to Teplitsky, Colson, in order to pay them for the litigation procedure.

Mr. Patrick Brown: What do you think of the attempts made to date by Mr. Apps, the president of the Liberal Party, to distance himself from Mr. Gillani?

Mr. Derrick Snowdy: I have no opinion on Mr. Apps. He's a lawyer, and he does what his clients pay him to do. Whether or not Mr. Gillani paid him with money that he obtained fraudulently is one thing; whether or not he acted in good faith is up to him. I have no comment on how he conducts his business.

Mr. Patrick Brown: Do you believe unequivocally that Mr. Apps worked on behalf of Mr. Gillani?

Mr. Derrick Snowdy: I'm sorry; what did you say?

Mr. Patrick Brown: Do you believe unequivocally that Mr. Apps worked on behalf of Mr. Gillani?

Mr. Derrick Snowdy: Absolutely. That's how he got to Teplitsky, Colson. It was through Mr. Apps, so obviously he was aware of the business conduct and activities.

Mr. Patrick Brown: Thank you.

I think Mr. Warkentin has a question as well.

The Chair: The Bloc asked if they could take two minutes of your time. Are you willing to give it?

Go ahead, Monsieur Guimond. *Vous disposez de deux minutes.*

[Translation]

Mr. Michel Guimond: Thank you, Madam Chair.

Thanks as well to my Conservative colleagues for giving me this opportunity.

I would simply like you to explain to us in two minutes what the procedure is for opening offshore bank accounts, such as those opened by Rahim Jaffer in Belize. Are signatures required, pieces of identification? If possible, do you have in your possession any documents that might enlighten the committee, signatures, for example?

[English]

Mr. Derrick Snowdy: How you open an account depends upon the jurisdiction where the account is established. Some countries

regulate their bank accounts rather strictly because they are identified as potential narco-states by the United States government, so they, in conjunction with some of their financial institutions and their government, construct rules and regulations. Some of them include producing identification, providing copies of reference letters from known legal sources, etc.

Others won't allow a foreigner to actually open a corporation. What you end up doing is going through law firms that have established the corporations with local boards of directors and then you become what's known as the beneficial owner of that corporation by buying into a trust at the various law firms, so if you need to do it without ID, it can be done. If you need to do it with ID, it can be done. You just have to pick the country in which you want to do it.

[Translation]

Mr. Michel Guimond: How does that work in Belize?

[English]

Mr. Derrick Snowdy: In Belize you can retain lawyers practising in Belize to operate an account on your behalf. That can be done over the Internet. It can be done with a phone call. It can be done with couriers at UPS.

The Chair: Thank you.

We'll now go to Madam Mendes for five minutes.

Mrs. Alexandra Mendes: Thank you, Madam Chair.

If I may, Mr. Snowdy, I'd like to get the actual date of your first meeting with Mr. Hamilton, please, for the record.

Mr. Derrick Snowdy: It was April 9.

Mrs. Alexandra Mendes: Okay, thank you.

You stated that you've made no allegations of criminal wrongdoing regarding Ms. Guergis to Mr. Hamilton, yet we do know the Prime Minister based his decision on serious allegations regarding Ms. Guergis' conduct. Did you make any allegations at all about the conduct of Ms. Guergis to Mr. Hamilton that could be of serious—

Mr. Derrick Snowdy: Do you mean allegations about her conduct?

Mrs. Alexandra Mendes: Yes.

•(1655)

Mr. Derrick Snowdy: Not only is it not my place to point a finger at a member of Parliament and question their conduct, but my role in discussing—

Mrs. Alexandra Mendes: Okay, I just wanted to know. You're saying you've made no allegations whatsoever about her conduct, no allegations at all.

Mr. Derrick Snowdy: No.

Mrs. Alexandra Mendes: Thank you very much.

To address Mr. Warkentin's concerns, I would like to ask you about your communications with the Ethics Commissioner. Who initiated those communications or those contacts?

Mr. Derrick Snowdy: I received a phone call at two o'clock in the afternoon of April 9 from—

Mrs. Alexandra Mendes: That was the same day you spoke with Mr. Hamilton for the first time.

Mr. Derrick Snowdy: That's correct.

I actually broke a tooth the night of April 8 when I was grinding my teeth watching the news. I got a phone call at two o'clock in the afternoon of April 9 from a man who identified himself as Mr. Eppo Maertens. He provided me with his name and telephone number. I was going into the dentist to have my tooth repaired and I told him I would phone him back.

I made some preliminary inquiries. I tasked one of my assistants to find out who Mr. Maertens was and I was out of the dental chair at 3:30. I received a report back that Mr. Maertens was an employee of the Ethics Commissioner's office. At four o'clock in the afternoon I returned Mr. Maertens' phone call.

Mrs. Alexandra Mendes: What was the theme of your discussion?

Mr. Derrick Snowdy: Mr. Maertens said to me that he had received a letter from Mr. Guy Giorno in the Prime Minister's Office that indicated that I had made specific allegations and claims against a member of Parliament.

I asked him if he would read me the letter. He put me on hold for a minute and a half, came back, and read to me a letter that had my name in it several times. It said that Derrick Snowdy said this or said that about the conduct of the minister. I said, "No, I did not say that. No, sir, I did not say that."

Mrs. Alexandra Mendes: Are you implying that he lied?

Mr. Derrick Snowdy: Pardon me?

Mrs. Alexandra Mendes: Are you implying he lied?

Mr. Derrick Snowdy: Am I implying that who lied, ma'am?

Mrs. Alexandra Mendes: Are you implying that Mr. Giorno lied when he wrote the letter?

Mr. Derrick Snowdy: I've never seen the letter, ma'am. Mr. Maertens told me he had a letter from Mr. Giorno and said that this was what the letter stated. I said that in fact I'd never spoken to Mr. Giorno. At that point in time Mr. Maertens said to me, "Well, it appears I don't have a complaint here. Thank you very much. Goodbye."

Mrs. Alexandra Mendes: And you've never had another—

Mr. Derrick Snowdy: The entire conversation lasted a grand total of 8 minutes and 35 seconds. I was on hold for a minute and a half of that. When I got off the phone, I made a rather agitated phone call to Arthur Hamilton.

Mrs. Alexandra Mendes: You called him. What was said in that conversation?

Mr. Derrick Snowdy: There were a number of profanities, expressing—

Mrs. Alexandra Mendes: The profanities were by whom to whom?

Mr. Derrick Snowdy: They were from me to Mr. Hamilton. I was not very happy with the characterization of that conversation in that context, and Mr. Hamilton was sympathetic to my call.

Mrs. Alexandra Mendes: I have very short time, so I have one last question, if I may.

I'm curious about something that you put up on your Facebook page on Monday, April 19. You wrote something like, "No hearings, huh? Hm. Methinks someone spilled the beans to Jack. Now he wants it hushed. I guess he knows now how close this is going to hit home with a certain NDP, and he needs time to prep".

Can you tell us what you meant by this?

Mr. Derrick Snowdy: Yes. I get annoyed with people dipping into my Facebook account, so I—

Mrs. Alexandra Mendes: It's a public account.

Mr. Derrick Snowdy: I got annoyed by people quoting me on the matter, and I let a few friends of mine tear through it and spin the thing. As long as my Facebook account became an unreliable source of information, I could trust everybody to stop scrolling through my friends and emailing them to ask them about my childhood and everything else. That was successful; after that, people stopped quoting my Facebook account online.

As I've told a number of people, Facebook is always good for a spin.

Mrs. Alexandra Mendes: Thank you very much.

The Chair: Thank you.

We now go to Mr. Brown for five minutes.

Mr. Patrick Brown: I would note that we're also prepared to go to the motion at any time. I realize that—

The Chair: I think there are other committee members who are interested in asking questions, so if you want to be generous and give them your time and pass on your turn, that's fine. Would you like to pass?

Mr. Patrick Brown: No, I'll take the time.

The Chair: Okay.

Mr. Patrick Brown: Fifteen minutes may not be enough time, so I was just suggesting that if there were more time....

There are a few points I wanted to reference.

Previously Mr. Guimond mentioned that Mr. Jaffer said he had access to the Prime Minister's Office. People can make many claims. Did you for any second believe the claim by Mr. Jaffer that he actually had genuine access to the Prime Minister? Did you see any evidence that he had genuine access to the Prime Minister's Office?

● (1700)

Mr. Derrick Snowdy: Mr. Brown, let me be very, very specific for you on this. I've heard a lot of things suggesting that Mr. Jaffer had a back door to the Prime Minister's Office. Let me tell you that as a member of the common folk who have tried to find the front door to the Prime Minister's Office on this issue, I don't know how there's a back door, because there's not even a front door.

Mr. Patrick Brown: You know what? I think that's what I wanted to highlight.

You can repeat as many times as you like that Mr. Jaffer had access to the Prime Minister's Office, but that doesn't mean it's correct. You can repeat a wrong statement 10 times, and it's still wrong.

I mentioned this before on a show. Every year partisans of the Maple Leafs say, "We're going to make the playoffs this year." It doesn't mean the Maple Leafs actually make the playoffs. It's boasting. I think that in this case there clearly was boasting, but with no actual facts to support the claim.

In your investigations of Mr. Gillani, did you find any evidence of even remote success, any success at all, in his lobbying or in accessing any part of government?

Mr. Derrick Snowdy: I can tell you that in researching Mr. Gillani's business activities going back 20 years, I haven't found one successful client, let alone one instance of success in accessing funding. The companies that he referenced were bogus; they'd never heard of him. It's a shell game. Not only have I not seen a grant, but I've never seen a paying client. I've never seen successful financing.

Mr. Patrick Brown: Why do you think some people are trying to inflate the claims that Mr. Jaffer and Mr. Gillani have allegedly made?

Mr. Derrick Snowdy: I've given up trying to think of how you people operate up here. Obviously it becomes a sensationalistic endeavour. How can we paint the angle on this to whatever advantage it suits whomever at the time? A classic example is obviously that for the last couple of months, people have been screaming for Ms. Guergis' termination, and this week it's a love-in, so take your pick.

Mr. Patrick Brown: I can tell you that it certainly gives me confidence to know that the types of individuals who claim to have access to government and claim to have special back-door access to the Prime Minister's Office are the people who are clearly facing a door slammed in their face.

I think what we've seen in Ottawa is that we investigate lobbying. The benefit of this attention is the fact that we've seen some tremendous changes in Ottawa. It's encouraging to see that characters like Mr. Gillani can't find access through whatever nefarious means they may attempt.

Mr. Derrick Snowdy: I think the voters in Edmonton slammed the door on Mr. Jaffer, not the Prime Minister.

Mr. Patrick Brown: Well, I think clearly Mr. Jaffer's attempted lobbying career was short-lived, so clearly it was shut closed by the Prime Minister as well.

I think one of the benefits of—

The Chair: This is the last one.

Mr. Patrick Brown: Is this my last question?

The Chair: Yes, please.

Mr. Patrick Brown: One of the benefits of this investigation has been that it's highlighted that we now have a lobbying commission with a budget of \$4.6 million. Do you think Mr. Gillani knew that under the new changes put forth by the Federal Accountability Act, not registering as a lobbyist could have resulted in fines of up to

\$50,000 and possibly jail time? Do you think he understood the criminal repercussions of what he might have been boasting about?

Mr. Derrick Snowdy: Sir, from what I've seen of Mr. Gillani, just as with any person operating this type of scheme, the law is irrelevant. It's like wondering why the gangbangers don't register their guns. It's the same principle. Mr. Gillani doesn't care what laws are in place. He's not working under the law.

The Chair: Thank you very much.

We now go to Ms. Coady for five minutes.

Ms. Siobhan Coady: Thank you very much.

I have just a couple more questions, if you would be so kind.

You talked earlier about your relationship with HD Retail Solutions. That was, I think, the company that hired you to do an investigation. Is that correct? Was it HD Retail Solutions?

Mr. Derrick Snowdy: It was a personal friend of mine who is a principal partner.

Ms. Siobhan Coady: You've been involved with that company for how long?

Mr. Derrick Snowdy: I've been involved since January 2009.

Ms. Siobhan Coady: You said earlier, and I'm going to quote you directly now, "Some of the most outlandish things were coming true."

Now I'm holding here an email—and it's been made public—from the company that you were working on behalf of, HD Retail Solutions. Mr. Gillani says, "Thanks for the the opportunity". Then Mr. Gillani is saying that we've got a commitment from him on Monday and that he he believes we'll have the \$5 million commitment in writing next week. It goes on to say that it's repayable at 2.4% interest over a period of five years, and repayable based on triple net profits.

My point to this—

● (1705)

Mr. Derrick Snowdy: There's a line at the end of that. I just wonder if you are going to finish reading it or not.

Ms. Siobhan Coady: I'm a good Catholic girl, but it says it is an effing good deal, a great deal. Thank you for putting me in that awkward position.

The point I want to make here is that at the beginning of this you said there was privileged access, special access, being given, and clearly the client that you represented was that, but I want to go back to a point that we were talking about before. You talked about Mr. Hamilton and said that you have met with him several times since. When we unfortunately ran out of time, you were starting to describe some of what you were discussing in those meetings.

We established the first one and what you were discussing. It was along the lines of, "Could this happen? Yes or no?" You said that in the next meetings you were able to have a more forthright discussion with him. Could you describe those discussions, please?

Mr. Derrick Snowdy: We touched on the intricacies of the scheme, who within potential law enforcement would have purview to investigate those matters, and why I didn't.... Most prominent on that list was IMET, which is the integrated market enforcement team of the RCMP, and why I didn't take that matter to the RCMP directly myself.

Ms. Siobhan Coady: Okay. Was there anything else? You had four meetings, so....

Mr. Derrick Snowdy: Mostly it was information with respect to the mechanics of the scheme. I identified some previous Gillani victims to him. They were casual meetings. One was in the lobby of the office. I was just touching base with him.

Ms. Siobhan Coady: On what dates did these meetings occur? You're pretty good at note-taking.

Mr. Derrick Snowdy: I saw him yesterday for about.... Oh, I'm sorry; I'm mistaken. I saw him on Monday.

Ms. Siobhan Coady: You saw him on Monday of this week. That's interesting. Okay.

Mr. Derrick Snowdy: Yes, I saw him Monday for about an hour. I saw him—

Ms. Siobhan Coady: Did you go over your testimony?

Mr. Derrick Snowdy: We didn't discuss my testimony at all. We've been very particular. Mr. Hamilton conducts—

Ms. Siobhan Coady: Did you discuss the issue about the Fasken law firm?

Mr. Derrick Snowdy: I discussed that with him, the outside of it, very briefly. I went down the road and I said "Look, I've got an issue over Fasken's relation to this Gillani thing that continues out." He said, "You know what? I don't want to know." I said, "Fair enough." I said, "Just so you understand where some of this case and some of the other victims in this case are, it was a cookie cutter scheme."

Ms. Siobhan Coady: That's interesting.

What else did you discuss? You discussed this pump-and-dump scheme. You discussed Fasken. What else did you discuss?

Mr. Derrick Snowdy: Mostly, given the nature of his practice, I was further exploring his professional knowledge on securities-related issues. Because it's a U.S.-based shell company, there are some issues now as to whether or not—

Ms. Siobhan Coady: Do you have a solicitor-client relationship with Hamilton?

Mr. Derrick Snowdy: No.

Ms. Siobhan Coady: Okay. I only have one minute.

You are still a card-carrying member of the Conservative Party. I noted in the *CBC News* that you—

Mr. Derrick Snowdy: As long as they keep taking my membership fee, I'll still have my card.

Ms. Siobhan Coady: Was it your impression that your testimony could, would, or did lead to Madam Guergis's removal from caucus and from cabinet?

Mr. Derrick Snowdy: Again, that's speculative. You'd have to speculate on that.

Ms. Siobhan Coady: Can you speculate?

Mr. Derrick Snowdy: I could, but I won't. It's not professionally sound to do that. You don't make guesses.

Ms. Siobhan Coady: You speculated before.

Mr. Derrick Snowdy: You make a model. You work on it, and that's how you conduct investigations.

Ms. Siobhan Coady: Okay, but as you pointed out earlier, you think you're the only person who's been giving information. I'm simply trying to establish the person the Prime Minister relied on for information.

You can't answer that, but you've indicated that you're the only person you know of who's been speaking about these issues.

The Chair: Thank you, Ms. Coady.

Go ahead, Mr. Warkentin, for five minutes.

Mr. Chris Warkentin: Thank you very much, Madam Chair. I—

The Chair: You will probably be the last questioner.

Mr. Chris Warkentin: I appreciate that.

What we will do, then, is go over the facts in terms of our current study. We do appreciate your attendance here, Mr. Snowdy.

It's clear to me that the facts remain the same as what we believed them to be when we showed up here: no taxpayer dollars were given to Mr. Jaffer and Mr. Gillani in relation to anything they were working on or any of the companies they were working on behalf of in terms of the renewable energy projects or the green fund in general.

I'm wondering if I can get you to confirm, having gone through today, that we're not unclear about that point—that you have no evidence and no testimony to provide to us that Mr. Gillani or Mr. Jaffer received any funds for themselves or for their clients from those funds for those types of projects.

● (1710)

Mr. Derrick Snowdy: I have never seen anyone receive money from Mr. Jaffer or Mr. Gillani, either from the government or from anybody else.

Mr. Chris Warkentin: Okay. As well, is it the case that you have no evidence to provide to us in terms of the ability of Mr. Jaffer or Mr. Gillani to come up to some secret back door to the Prime Minister's Office or to a relevant minister's office to make this type of influence or receive these types of funds?

Mr. Derrick Snowdy: I can't speak to Mr. Jaffer's business relationships here on the Hill. It would be wildly speculative on my part to suggest that. I have no knowledge of that. I have no knowledge of his having those relationships, but I don't know who his relationships are with.

Mr. Chris Warkentin: Right, but you have nothing to provide to us in terms of confirming—

Mr. Derrick Snowdy: No.

Mr. Chris Warkentin: —as to whether he was lobbying or doing any of that type of activity.

Mr. Derrick Snowdy: No.

Mr. Chris Warkentin: I appreciate that, because that truly is what we, as a committee, are undertaking in terms of our study. We're trying to look at two issues. Number one, was there money given? Number two, was there inappropriate lobbying happening?

We have you here today and we appreciate your testimony, and I think we confirmed early on in this meeting that, in fact, you had no evidence to provide us on those points; we respect and we appreciate that. You've been forthright on that point and you've given us some additional information about peripheral issues.

I only want to give you one additional opportunity to confirm that in fact, as far as you know, no money was given, and that you have no information to provide to us in terms of the lobbying activities that were or were not happening on the Hill.

Mr. Derrick Snowdy: No, absolutely not. We have no indication. The entire business model HD Retail saw from their perspective was to manipulate their business plan to be acceptable to Mr. Jaffer's green initiatives.

Mr. Chris Warkentin: I really appreciate that. I think we have established in this committee that the government has been fully transparent and accountable to the Canadian people by bringing forward all documentation as it relates to any activity that would be construed on the Hill as lobbying, and we continue to hear from witnesses who confirm that.

Certainly we've been able to confirm in the committee that no federal government dollars went to projects that were being funded or being advocated by these two individuals, and I think that's what's important to the Canadian taxpayer and to Canadians in general. We certainly appreciate your testimony today, and I think we do have these points confirmed again. Thank you.

The Chair: Thank you.

Ms. Coady asked to take your one minute. Are you willing to give her one minute?

Mr. Chris Warkentin: I'd really like to get to the motion we have—

The Chair: We will.

Mr. Chris Warkentin: —because I think it's imperative, having now—

The Chair: She's actually next—

Mr. Chris Warkentin: —fully established that we don't have any untoward business happening in this study, that we move on to the next study.

The Chair: It's 5:15 and, no, I'm sorry; we have business until 5:15, and 5:15 is here. I would like to suspend the committee for 30 seconds. We will go to the motions and the business of the committee.

Thank you very much, Mr. Snowdy, for being here. We will start immediately with the motion.

Are there any problems with this being public?

We will suspend for 30 seconds.

- _____ (Pause) _____
- _____
- (1715)

The Chair: We are resuming our meeting. I will now go to Mr. Bruinooge for his motion.

Mr. Rod Bruinooge: Thank you, Madam Chair. I appreciate your recognizing me to introduce this motion and have it debated here today.

This motion is primarily an opportunity for a member of Parliament in good standing, Mr. Derek Lee, to address the information that was present on the Sun and Partners website that indicated that some of the elements he provided to that firm. Quoting from that website, as you can see in the motion, I'll just briefly read out that they:

...include acting for foreign and offshore organizations in obtaining operating licences, securing regulatory and governmental approvals for mergers and acquisitions...advising government bodies on international issues regarding cross-border tax collection, anti-dumping issues, and lobbying government on policy issues as well as facilitating intergovernmental relationships

The primary point of this motion is requesting our committee to look into this and perhaps have Mr. Lee advise the committee as to why this occurred. I have spoken with Mr. Lee subsequent to introducing this motion; he seemingly was interested in elucidating on this information.

That is the motion, and I look forward to hearing further debate from the members.

The Chair: Thank you. I have on the list of speakers Mrs. Mendes and then Ms. Coady.

Mrs. Alexandra Mendes: May I propose a friendly amendment to the motion? It would be to invite the Conflict of Interest and Ethics Commissioner to be present at the same hearing.

Mr. Chris Warkentin: I don't know if it would be appropriate to have her at the same meeting, but I would absolutely agree to have her in the succession of meetings.

Mrs. Alexandra Mendes: That would be sometime in however many meetings we may have on the issue.

The Chair: The friendly amendment is accepted.

Go ahead, Ms. Coady.

Ms. Siobhan Coady: I'm not speaking against the motion by any means; my only concern is that we spent a tremendous amount of time establishing a calendar, so I want to make sure we continue with our calendar. I am prepared to sit any time you want on this matter. I think we have to understand that we have a very tight calendar right now, so if the motion passes, I suggest that that we have a special meeting.

The Chair: Fair enough. Is there any more debate? Go ahead, Mr. Warkentin.

Mr. Chris Warkentin: I don't want to confirm any calendar allotments at this time. It's important that we change our calendar as things arise. We've done that at every meeting for the last number of months, and I think we'll make time available for the hearings as they come along. Today's not the time to discuss the calendar allotments, but certainly we will make those allotments as a committee as we go along. The chair has made it very clear that nothing is set in stone.

Ms. Siobhan Coady: Well, my only concern is—

The Chair: Ms. Coady, I have to recognize you.

Go ahead, Ms. Coady. I think Mr. Brown put his hand up too. No, he didn't.

Go ahead, Ms. Coady.

Ms. Siobhan Coady: I've raised this issue at this table before. I think that if we have to have special meetings to make sure that we get the business of our committee done, then let's have special meetings. We don't want to start not being able to conclude what we spent a tremendous amount of time making sure our calendar was set for. My only concern is that we make sure to add a special meeting if one is required.

Thank you.

The Chair: Fair enough.

Is there any more debate on this?

Go ahead, Ms. Mendes.

Mrs. Alexandra Mendes: On Ms. Coady's point, I would refer you to the citizenship and immigration committee, which is now going full throttle with meetings lasting six hours. We could do the same, if necessary.

The Chair: Fair enough; we could do that if it's necessary.

Continue, Ms. Coady.

Ms. Siobhan Coady: In that vein, I'm wondering if we couldn't have a special meeting during the last week of May, if that meets with everyone's calendar. I know people are available. I think that Mr. Lee says he's available on May 27, which is a Thursday. My only interest in making sure we move this along is that we don't go into summer recess early and then not get to all of the business that we wanted to get to in the spirit of making sure we complete things.

• (1720)

The Chair: In the spirit of what Mr. Bruinooge told us, which was that Mr. Lee is willing to come, we understand May 27 would be an ideal date. If the committee is willing and there is no debate, I first have to take a vote on the motion.

(Motion as amended agreed to)

The Chair: It's unanimous.

As for a special meeting on May 27, will all those in favour please so indicate?

(Motion agreed to)

The Chair: It is carried, so we will let the...

Ms. Siobhan Coady: May I put forward another motion?

The Chair: Sure.

Ms. Siobhan Coady: This just goes to the same motion we've had before, asking Derrick Snowdy—

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): I have a point of order.

We're talking about the 27th, but has a time been determined?

[*English*]

The Chair: Can we try to have it in the morning, because I know there are people who have to fly off to Peace River?

[*Translation*]

Mr. Richard Nadeau: I'm going to sit in on a committee in the morning. So I won't be available. We could meet after 5:30 p.m. That wouldn't be a problem for me.

[*English*]

The Chair: Can the clerk check with committee members for timing so that we know who's travelling and who can attend?

Monsieur Nadeau, can I instruct the clerk to figure out what timing is perfect? If you can find replacements—

[*Translation*]

Mr. Richard Nadeau: I'm busy from 9:00 a.m. to 11:00 a.m., but that could be any time after 11:00 a.m.

The Chair: That's perfect. All right.

[*English*]

Okay, fine.

Ms. Coady, the floor is yours.

Ms. Siobhan Coady: This is the same motion we've seen before. As you heard, my request is to Mr. Snowdy to produce papers and records, both electronic and hard copy, from 2008 until today that relate to the business of International Strategic Investments, Green Power Generation Corp., Rahim Jaffer, Helena Guergis—for whom he said he doesn't have any—Nazim Gillani, Patrick Glémaud, and any other elected officials, and that said material be delivered to the committee within five days.

It's a motion I'd like to—

The Chair: This was the motion for Mr. Snowdy. Did you want it discussed at the next meeting?

Ms. Siobhan Coady: Well, if we have time today...

The Chair: This motion is for production of documents?

Ms. Siobhan Coady: It's the same thing.

The Chair: Yes, fine. Everybody's fine?

That's fine. I will ask the clerk.

(Motion agreed to)

The Chair: It's unanimous. I'll ask the clerk to get in touch with Mr. Snowdy and get the necessary documents.

Go ahead, Ms. Mendes.

Mrs. Alexandra Mendes: Madam Chair, going back to the meeting on May 27, is it established that we have one hour with Mr. Lee and one hour with the Ethics Commissioner?

The Chair: We could do that.

Mrs. Alexandra Mendes: Otherwise, do we have the partners, or do we have—

Mr. Chris Warkentin: The list of witnesses is actually quite extensive. It's not just Mr. Lee, so let's have meetings when these people can be accommodated. We have the list prescribed exactly and we added the commissioner as well, so we may have to do additional meetings to get everybody on the list.

The Chair: Fair enough, sir.

Would you like Mr. Lee to come with his partners, or do you want Mr. Lee to come alone?

Ms. Siobhan Coady: I think he should come with his partners.

The Chair: What is the will of the committee?

Mrs. Alexandra Mendes: The clerk would determine the availability.

The Chair: Mr. Lee will be available on May 27. The availability of the partners could be determined.

Mr. Chris Warkentin: We don't know that.

The Chair: Okay. Let the clerk telephone the partners and the Ethics Commissioner.

Mr. Chris Warkentin: Yes.

The Chair: Yes.

Go ahead, Ms. Coady.

Ms. Siobhan Coady: This is on a different topic.

Before we actually came back into session, we were having a conversation about documentation that was delivered to the chair and is now in translation. Did I understand that correctly? You said that Mr. Gillani is going to produce more. Did anyone else give us anything?

The Chair: Could you give me a second? I'll consult the clerk.

Ms. Siobhan Coady: Yes.

The Chair: Out of the eight motions that were passed, seven have complied.

Mr. Gillani had not complied. When the clerk phoned Mr. Gillani's office, he was advised that the binder was on its way. If we don't receive the binder, we will then have to take the appropriate action. We will otherwise assume that he sent it in good faith.

Does that answer your question?

● (1725)

Ms. Siobhan Coady: I hope so. I think it does.

The Chair: Is there any other business?

Hearing none, I adjourn the meeting.

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