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• (1535)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): I call this meeting to order.

Welcome to meeting number 80 of the House of Commons Standing Committee on Government Operations and Estimates, also known as the mighty OGGO, and also commonly known as the only committee that matters.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, October 17, 2022, the committee is meeting on its study of the ArriveCAN application.

Very quickly, as usual, colleagues, keep your microphone away from the earpieces, as it causes feedback and potential injury for our interpreters.

I have to say, in accordance with our routine motion, that I'm informing the committee that all witnesses appearing by video conference have completed the required connection test in advance of the meeting.

We welcome back Mr. Ossowski, Ms. O'Gorman and Mr. Doan.

Welcome for the first time, Mr. Doan.

We have opening statements from Ms. O'Gorman and Mr. Ossowski.

We'll start with you, for five minutes, please, Ms. O'Gorman. We are short on time. I ask that you stick to five minutes so that I don't have to rudely interrupt you.

Please go ahead.

Ms. Erin O'Gorman (President, Canada Border Services Agency): Good afternoon.

Last fall, I received a complaint from Botler AI with respect to its experience in establishing a contract with the CBSA to provide a chat program that would assist employees in understanding workplace harassment.

The complaint outlined allegations relating to the potential procurement of a product by Botler AI. I was not familiar with any of the engagements that had taken place with the company, nor was I familiar with its product. I learned that the CBSA had done some pilot work of the Botler AI product from February to December 2021, but there was no ongoing relationship or contract with it.

Given the nature of the allegations—specifically, allegations of misconduct by officials at the CBSA in the context of procurement—I referred the matter to the agency's professional integrity division, which, following its initial review and consultation with me, referred it to the RCMP. Should there be findings of criminality, I would expect the RCMP to pursue them. If misconduct is found, the CBSA will take appropriate action.

[Translation]

In January 2023, the Auditor General launched a performance audit of ArriveCAN. We have facilitated the Auditor General's work, and we will continue to do so.

But let me assure you that I am not waiting for the outcomes of these processes to take action. It was clear that improvements were required with the procurement function at the agency. In fact, when I appeared before this committee in November 2022, I stated that “we will continue to look at ways that we can be fair, open and transparent in our procurements and that we will try to provide the most responsive procurements possible”.

[English]

In January 2023, I asked our internal auditors to launch an audit of contracting—that work is still under way—and increased managerial oversight over the procurement process. Employees with financial delegation and with contracting authorities at headquarters have been directed to retake procurement and financial management courses.

I have given direction to rebalance our use of internal and external IT. The CBSA maintains more than 180 IT systems. They are critical systems that ensure the movement of people and goods across the border.

We are the second-largest revenue collector in the government after the Canada Revenue Agency.

[Translation]

Like many critical systems across government, some of our systems are old. As such, we need to make sure that in decreasing our use of contractors, the CBSA does not open up a gap in the technical knowledge required to service these systems.

Sound stewardship is critical to our success in modernizing the border service experience for our officers, for travellers and for businesses.

[English]

In summary, we have and will continue to strengthen the internal management of contracts at CBSA.

I look forward to the results of our internal audit and, particularly, the performance audit being conducted by the Auditor General. We will act on their recommendations and, needless to say, we will take all appropriate action relating to any founded allegations of wrongdoing.

Merci.

The Chair: Thank you very much. I appreciate your keeping that brief.

We'll go to Mr. Ossowski for five minutes, please.

Mr. John Ossowski (As an Individual): Thank you for the opportunity to add some clarity to my testimony from December 8, 2022, when I testified during the committee's study of the Arrive-CAN app, as well as to respond to inferences made in the Globe and Mail article published on October 6, 2023.

First, I retired on June 24, 2022; therefore, when I appeared last December, I did so as an individual, without any access to my business records. I answered all questions truthfully and to the best of my recollection. When I answered Mr. Barrett's question on whether I had contact with Mr. Firth from GC Strategies in my role as president of CBSA and I answered no, I did so because I had no recollection of ever meeting anyone from GC Strategies on Arrive-CAN or any other matter. Given this lack of recollection, it never occurred to me to verify this with the agency.

It now appears that there was, in fact, one virtual Teams meeting on September 29, 2020, which I attended to receive a demonstration from another company, Botler AI, on a matter completely unrelated to ArriveCAN, and it included a representative from GC Strategies. The agency has provided me with the meeting records, and there were 12 people in attendance, including me, as well as a representative from GC Strategies identified simply as "Kristian@GCStrategies.ca". The agency has told me that this was the only meeting in my records that shows a representative from GC Strategies attending a meeting with me, and I have no recollection of any other meeting in any form with a representative from GC Strategies.

Mr. Chair, Mr. Curry's October 6, 2023, article conflates two separate issues, and despite having made it clear to him that I had not verified my testimony with the agency, because I had and still have no recollection of ever meeting Mr. Firth, the article states that my testimony should be called into question. Mr. Curry's rationale for this was that I failed to remember every individual who participated in a virtual meeting I had over three years ago. In hindsight, I should have verified this with the agency sooner and clarified this with the committee, and I apologize for any confusion this has caused.

Finally, with respect to the allegations regarding Botler AI, the agency has searched my records and told me that I was never briefed on any of the allegations made by Botler AI before I retired on June 24, 2022, nor have I been contacted by anyone regarding any of these allegations.

Mr. Chair, that concludes my statement. I would be happy to answer any questions.

● (1540)

The Chair: Thanks for your opening statement. Before we start with Mrs. Kusie for six minutes, I want to extend a special welcome back to our analyst, Lindsay. Long-time OGGO folks will know she was with us for quite a while, went back, and is now on the Senate side.

Thanks for filling in today. It's wonderful to have you with us.

Now we have Mrs. Kusie for six minutes, please.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you very much, Chair, and thank you to our witnesses for being here today. It actually seems to me that the opening statements reflect a lightness of the matter.

This is, in fact, a very grave matter before the House of Commons and before Canadians. In fact, I would say that this is a matter of importance that probably rivals any scandal in Canadian history. This is not to be taken lightly. This is not something that can be overcome with performance objectives, evaluations or managerial criteria. We have to get to the bottom of what happened, since the RCMP, of course, are currently investigating allegations of identity theft, forged resumé, contractual theft, fraudulent billing, price fixing and collusion in the creation of this \$54-million app. This is a big deal.

As I mentioned when I moved the motion to extend this study, in the beginning this was an exercise in an attempt to find value for Canadians, which I remind everyone, some of the Liberals actually pooh-poohed and turned their noses at, as though there was nothing to see here. Now we know that things are so much different. It is now a quest to get to the truth, so that's what we're going to attempt to do here today.

In addition to me, you are going to have to face the prosecutor, Larry Brock, as well as my colleague, Garnett Genuis.

I'll start with my questions.

Mr. Doan, what was your relationship to John Ossowski at CBSA?

Mr. Minh Doan (Chief Technology Officer, Treasury Board Secretariat): He was my deputy minister and president.

Mrs. Stephanie Kusie: What was your relationship to Cam MacDonald?

Mr. Minh Doan: He reported to me.

Mrs. Stephanie Kusie: What was your relationship to Mr. Firth?

Mr. Minh Doan: I did not have a relationship with Mr. Firth.

Mrs. Stephanie Kusie: Who made the decision to go with GC Strategies instead of Deloitte?

Mr. Minh Doan: My team made that decision.

Mrs. Stephanie Kusie: Were you involved in that decision, personally?

Mr. Minh Doan: I was not personally involved in that decision.

Mrs. Stephanie Kusie: As CIO of the organization at the time, you mean to tell me that you were not fundamentally the individual who made the decision to go with GC Strategies instead of Deloitte. Who would you pin that one decision on?

Mr. Minh Doan: That was made by my team. I believe right now, with the current allegations that are under way.... I do not know who I would identify that to. That's part of the investigations that are currently under way.

Mrs. Stephanie Kusie: If we went through all of your communications, we would see that you had no communication with Mr. Firth.

Mr. Minh Doan: I did not.

Mrs. Stephanie Kusie: Okay.

Was a minister ever involved in making this decision?

Mr. Minh Doan: Not to my knowledge.

Mrs. Stephanie Kusie: Was the public safety minister at the time ever involved in making this decision?

Mr. Minh Doan: Not to my knowledge.

Mrs. Stephanie Kusie: Did you receive a promotion immediately before Mr. Ossowski left his role at CBSA?

Mr. Minh Doan: No. It was well before he left.

Mrs. Stephanie Kusie: How would you define “well before”?

Mr. Minh Doan: It was at least one year.

Mrs. Stephanie Kusie: How many years...?

Mr. Minh Doan: To the best of my memory, it was at least one year.

Mrs. Stephanie Kusie: Okay. Did you go through the substantive process?

Mr. Minh Doan: I was in the middle of a competitive process with Treasury Board.

Mrs. Stephanie Kusie: Okay.

Mr. Ossowski, I appreciate your coming here and attempting to clear your name.

Again, I will ask the question that was asked before by my colleague Michael Barrett.

Now that you have recollection, did you have any communication with GC Strategies?

Mr. John Ossowski: I attended a meeting, as I described in my opening statement, with Botler AI, and Mr. Firth was in attendance at that same meeting.

Mrs. Stephanie Kusie: Did you have any communication with Mr. Firth personally?

Mr. John Ossowski: Absolutely not.

Mrs. Stephanie Kusie: Okay.

Ms. O’Gorman, have you ever communicated with Mr. Firth?

Ms. Erin O’Gorman: I have not.

Mrs. Stephanie Kusie: Have you ever communicated with GC Strategies?

Ms. Erin O’Gorman: I have not.

Mrs. Stephanie Kusie: When did you first find out about this RCMP investigation?

Ms. Erin O’Gorman: Well, I referred it to the RCMP through my—

Mrs. Stephanie Kusie: Why did you not refer it in 2021, or why was it not referred between the two of you—whoever would like to answer—in 2021, when Botler first came with their concerns?

• (1545)

Mr. John Ossowski: There were no allegations raised to me before I retired on June 24, 2022.

Mrs. Stephanie Kusie: Mr. Doan, do you still communicate with Mr. MacDonald?

Mr. Minh Doan: No, I do not.

Mrs. Stephanie Kusie: Okay.

How would you describe the communication that you had? There was a communication that indicates you were told.... It was communicated to Mr. MacDonald to let GC Strategies do their magic. Do you recall that communication?

Mr. Minh Doan: I do not recall that communication.

Mrs. Stephanie Kusie: Mr. Ossowski, do you recall that communication?

Mr. John Ossowski: I'm sorry. Can you repeat the question?

Mrs. Stephanie Kusie: Yes. It was a communication in which Mr. MacDonald was asked to step aside and let Mr. Firth at GC Strategies “do his magic”.

Mr. John Ossowski: I was not alive to any of that conversation in the background while I was getting the demonstration from Botler.

Mrs. Stephanie Kusie: Okay.

Mr. Ossowski, was the single meeting that you had on Teams the only communication that you believe you had with anyone related to GC Strategies?

Mr. John Ossowski: The only other record the agency provided me was an email from Botler about their being selected to be on a G7 EU thing as a result of their work, and he was cc'd on that email. There was no other meeting that I attended with him. I don't recollect him even being at this meeting.

Mrs. Stephanie Kusie: All right.

Mr. Ossowski, do you still communicate with Mr. MacDonald?

Mr. John Ossowski: No.

Mrs. Stephanie Kusie: Okay.

What was the role of Mr. MacDonald in obtaining the services of GC Strategies? How would you describe his role specifically, Mr. Doan?

The Chair: Give a brief answer, please.

Mr. Minh Doan: He was director general in charge of innovation.

Mrs. Stephanie Kusie: Thank you, Chair.

The Chair: Thank you very much.

We have Ms. Atwin, please, for six minutes.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you very much, Mr. Chair, and thank you to our witnesses for being here today.

I'd like to echo the comments of Mrs. Kusie in terms of the serious nature of the discussion today. I was not here for the previous discussion, so I'm pretty much new to this, and I'd like to get to the bottom of it as well. I'd also like to acknowledge that this is probably pretty tough on you as witnesses. I thank you for your honesty and for being here today and being willing to answer our questions.

Here's my first question. We see that the Canada Border Services Agency oversaw most of the contracts with regard to the ArriveCAN app, but I'm also noting that some contracts for ArriveCAN began as early as 2017. Can you explain, perhaps, Mr. Ossowski, this timeline for me?

Mr. John Ossowski: Mr. Doan might be better placed to talk about that.

Mr. Minh Doan: To the best of my memory, the contracts were not for ArriveCAN. They were with different companies that would allow skills in terms of mobile application development and security. Those would eventually be used and leveraged to build the ArriveCAN app, but the need at the time obviously was not there, because the COVID pandemic hadn't started yet.

Mrs. Jenica Atwin: Mr. Ossowski, now that you've spent about a year outside the government, what is your analysis of the usefulness of ArriveCAN, and your experience? Did it deliver what it was intended to deliver?

Mr. John Ossowski: Absolutely. As I said in my testimony last December, at the time—and I'm going by memory here—100,000 people around the world had died, and 30,000 infections had been recorded in Canada. The provincial health authorities were demanding better information on who was coming back to Canada, where they had been and if they were infected. All of this information had been collected in paper form by my officers and then handed over to the Public Health Agency, which was drowning in paper. No one was getting the information they needed in a timely manner.

The Public Health Agency came to us and asked us to build a contact-tracing app, and 70 versions of the app and millions of users later, I think the app delivered.

Mrs. Jenica Atwin: How would you respond to Botler Inc.'s allegations of misconduct related to vendors contracted for ArriveCAN?

Mr. John Ossowski: I don't think that's what Botler complained about. Botler complained about their own contractual relationship. I have no knowledge of that or any business relationships they had with these other firms.

Mrs. Jenica Atwin: Ms. O'Gorman, now that you're in this new role and taking on some of the difficulties of the past, during their investigations, if the Canada Border Services Agency or the Royal Canadian Mounted Police determine there is wrongdoing on the part of the suppliers, what could be the possible consequences?

Ms. Erin O'Gorman: I won't speak for the RCMP, but internally we have various forms of discipline that can be issued depending on the nature of the misconduct. We have a committee that looks at

allegations of misconduct. If they are founded, then there are decisions about the consequences of that.

● (1550)

Mrs. Jenica Atwin: Mr. Doan, if true, would any allegations raised by Botler breach the Public Services and Procurement Canada code of conduct for employees or the values and ethics code for the public sector?

Mr. Minh Doan: I only know the allegations as I've read them in The Globe and Mail. In terms of some of the allegations that are made, they would contradict some of the values and ethics, for sure, in terms of integrity and conflict of interest. Those are only allegations, and I don't know the state of the investigation.

Mrs. Jenica Atwin: Do you feel that these allegations reveal any gaps in the above codes?

Mr. Minh Doan: In terms of the allegations, I've only recently found out about them, so I'm not quite in a position to comment on the state of the investigation or the outcomes of the investigation.

Mrs. Jenica Atwin: I see that a lot of the issue is with regard to subcontractors. How could the contracting process be modified to provide the federal government more oversight on self-contractors?

Mr. Minh Doan: The CBSA worked very closely with PSPC, and the guidelines are set forth regarding PSPC and what is acceptable in terms of subcontracting.

Mrs. Jenica Atwin: Mr. Ossowski, in an October 4, 2023, Globe and Mail article, the Botler founders explained that they alerted the Canada Border Services Agency to their concerns in September 2021.

You've alluded to the fact that you weren't aware of that.

Can you give us any insight into how there might be a discrepancy between what they're remembering versus what you're remembering?

Mr. John Ossowski: No, there's no discrepancy.

I believe that the article reported that they referred the matter to Mr. Utano at the time. That matter was not brought to my attention.

Mrs. Jenica Atwin: We notice as well that there's also conversation about advising how best to achieve a procurement process for GC technology.

Is it common practice for a federal official to advise a potential supplier on how to pitch a product to the federal government, Mr. Doan?

Mr. Minh Doan: I've learned of those allegations most recently, and they are currently being investigated. In terms of conduct with any contractors, I expect any of my executives to follow the code of conduct and the rules and disciplines around values and ethics.

Mrs. Jenica Atwin: That's all for me, Mr. Chair.

The Chair: Thank you.

We have Ms. Vignola for six minutes.

[Translation]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Mr. Chair.

Ms. O'Gorman, Mr. Ossowski and Mr. Doan, thank you for being here today.

It's not easy to read what was reported in the *Globe and Mail* in October, but questions have to be asked regarding what happened and what can be done.

In your opening statement, Ms. O'Gorman, you said that you facilitated the Auditor General's work.

Could you briefly describe how you did that?

Ms. Erin O'Gorman: We worked closely with the Auditor General's team to provide the documents they needed. The Auditor General had nothing critical to say about the work our internal auditors did. They provided the right information and documents. Our interactions were the same as they are with any of the Auditor General's reviews.

Our agency was discussed in a recent report. That means that two reports were done at the same time, and I would say we worked the same way for both reviews.

Mrs. Julie Vignola: Thank you.

According to the *Globe and Mail*, the CBSA was warned of potentially questionable relationships between IT consultants and federal public servants.

How was the agency warned? Was it a verbal warning or a written warning?

Ms. Erin O'Gorman: It was through documents that Botler AI sent me in October 2022.

Mrs. Julie Vignola: I see.

Would you forward those documents to the committee?

Ms. Erin O'Gorman: They are Botler AI documents. I believe someone from Botler AI is appearing before the committee on Thursday. I suggest you ask that person to provide the committee with the documents since they do belong to Botler AI.

• (1555)

Mrs. Julie Vignola: Very good.

Public Services and Procurement Canada, or PSPC, usually oversees the procurement of goods and services.

Why wasn't the usual process followed for the ArriveCAN app? Some of the contracts are said to go as far back as 2017.

Ms. Erin O'Gorman: I wasn't on the job then.

Mrs. Julie Vignola: Do you have anything to add, Mr. Ossowski?

[English]

Mr. John Ossowski: I was not aware of how the contracts were put in place for the work with Botler.

[Translation]

Mrs. Julie Vignola: All right.

Do you think it's normal that the usual process wasn't followed for the ArriveCAN app?

[English]

Mr. John Ossowski: Well, what I can say is that—and this is a very broad understanding here—when something urgent happens and you have contracting vehicles in place, you do task authorizations to find resources that can fill your urgent needs. I believe that's, in fact, what was done in the early days. You have these contract facilities; they take advantage of them, and if they need more help, then they have other avenues they can work with—additional resources defined by Public Services and Procurement Canada to help.

Perhaps Mr. Doan has some more to add on that.

[Translation]

Mr. Minh Doan: With the onset of the pandemic, an immediate solution was needed.

If I recall correctly, the agency quickly moved ahead with a sole-source contract given that something needed to be in place within weeks. The agency didn't have time to go through the usual process. As you rightly pointed out, that is the process that would normally be followed.

Mrs. Julie Vignola: Do you think the use of a sole-source contract opened the door to this whole thing—an RCMP investigation into alleged contracting misconduct?

Mr. Minh Doan: Sole-source contracting is permitted in specific situations, such as when a contract is valued at a certain amount or when certain people are able to fill an immediate need. Given the ongoing investigation into the circumstances surrounding the allegations, I can't say whether the use of a sole-source contract in this case played a part.

Mrs. Julie Vignola: The committee studied Bill C-290, an act to amend the Public Servants Disclosure Protection Act.

How is it that not a single public servant flagged the questionable nature of the contract to anyone? Why did it take someone on the outside to say that something was off? What's the reason for that, do you think?

Ms. Erin O'Gorman: I can't answer that question at this time. Certainly, that's why I referred the matter to our professional integrity director for investigation. That's also why we made the decision together to refer the matter to the RCMP.

Mrs. Julie Vignola: Could it be that there's a certain code or culture of silence?

[English]

The Chair: I'm afraid that is our time. I'm sorry.

Mr. Johns, you have six minutes, please.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thank you.

I think Amir Morv and Ritika Dutt are heroes for the courage they had to step forward in a situation like this. They didn't get paid for nine months. They have reputational damage, potentially, from this, and the challenges of potentially not getting contracts with the federal government and others.

Would you agree, Mr. Ossowski, that this is a courageous thing they've done, and that they've been harmed by waiting for nine months to get paid, with no contract and the stress of this?

Mr. John Ossowski: I appreciate the concerns that you raise. I certainly have seen the one part of the story that's been reported in The Globe and Mail. I think I would look forward to seeing the results of the investigation to comment further.

Mr. Gord Johns: Given what you've read, do you also believe there's reputational damage to Canada when it is trying to seek vendors who will be highly discouraged in terms of wanting to do business with Canada, given this situation and how it played out?

Mr. John Ossowski: Again, I can make statements only based on what I read in The Globe and Mail. That's just part of the story. I will wait to see what the RCMP investigation produces.

Mr. Gord Johns: You made a comment about The Globe and Mail, about Bill Curry. You said it was conflated. I would say this is really important. Do you believe this needs a deep dive, given the information we've gotten so far?

• (1600)

Mr. John Ossowski: Absolutely. I personally am here today because the way the article was written impugns my reputation.

Mr. Gord Johns: Yes. I appreciate that. It's not targeted at you or your reputation, to be honest with you. I just wanted to seek your opinion, given the information we've been provided. I appreciate that.

Ms. O'Gorman, on September 27, 2021, Botler informed the CBSA that it should immediately stop payments to the contractors and request a refund of any amounts already paid. What did CBSA do in response to this?

Ms. Erin O'Gorman: I wasn't in the position in September 2021. I'm not in a position to speak to that.

Mr. Gord Johns: You have no information about what was done there.

Ms. Erin O'Gorman: I have launched an internal investigation and referred it to the RCMP, but I am not personally conducting—

Mr. Gord Johns: Okay. I think that would be good information for this committee to have from the CBSA and produced for the committee. I don't think we can understand fully what happened here without that information.

Mr. Chair, can I get consent from the committee to request that information?

Some hon. members: Agreed.

The Chair: I assume that we have agreement.

Thank you very much.

Mr. Gord Johns: Thank you.

Is GC Strategies named on the Botler task authorization?

Ms. Erin O'Gorman: I have not gone through the documents. When the individuals who work for Botler sent me the dossier with the allegations, I handed those over for an investigation. I have not personally been going through documents. I have asked that there be an independent internal investigation. I referred the matter to the RCMP.

Mr. Gord Johns: I think we need that information and also to find out if the CBSA suggested that the payments for the task authorization should flow through Coradix or to GC Strategies, and then finally on to Botler.

We need that information. Can I also request that from the committee?

The Chair: I'm going to stop the time here for a second.

Ms. O'Gorman, are you clear on what documents Mr. Johns is asking for?

Ms. Erin O'Gorman: Yes. I would just note that it is part of an internal investigation. I don't know what documents exist. I have not personally been going through.... I have wanted that to be independent of me.

The Chair: Could you provide what Mr. Johns and the committee have asked for? As well, if anything is not available, can you provide us with information on why it's not available?

Thanks very much.

Go ahead, Mr. Johns.

Mr. Gord Johns: The reason I'm asking for this is that funnelling taxpayers' dollars through a party not even listed on a contract is a serious concern.

How much did the CBSA grant in additional contracts to GC Strategies, Coradix and Dalian after the report on September 27, 2021?

Ms. Erin O'Gorman: I don't have that information.

I would just concur with your point about the seriousness of it and point out that I referred it to the RCMP.

Mr. Gord Johns: Okay.

Have you ever spoken with the public safety or any other minister with respect to Botler's allegations?

Ms. Erin O'Gorman: After I referred it to the RCMP, I informed the Minister of Public Safety that I had done so.

Mr. Gord Johns: When did you do this?

Ms. Erin O'Gorman: In December 2022.

Mr. Gord Johns: Okay.

Has the CBSA ever consulted legal services with respect to Botler's allegations?

Ms. Erin O’Gorman: We have not consulted legal services. I have not sought legal services input. There’s an independent investigation from the professional integrity director and an RCMP investigation. I referred it to the RCMP. I don’t want to characterize what and how the RCMP is handling it.

Mr. Gord Johns: Mr. Doan, the 2021 report from Botler was raised to you after it was reported to Antonio Utano.

Did he directly report that to you?

Mr. Minh Doan: Based on my memory, that was not raised to my attention.

Mr. Gord Johns: It was brought to him and he did not bring that report to your attention?

Mr. Minh Doan: He did not, in my memory.

Mr. Gord Johns: How many projects with GC Strategies, as either a contract or subcontract, were approved under your term as CIO at the CBSA?

Mr. Minh Doan: I can endeavour to get you that information. I’ve not been working with the CBSA since April, but I’ll work with CBSA colleagues to get you a fulsome answer.

Mr. Gord Johns: Thank you. I appreciate that.

Can you also supply the total of the above contracts as well?

Mr. Minh Doan: I will work with colleagues to get that information.

Mr. Gord Johns: Did you apply to your current position at TBS, or were you suggested for the role?

Mr. Minh Doan: I was contacted by the current Government of Canada chief information officer, whom I had worked with in my previous role at CBSA, and was offered the opportunity.

Mr. Gord Johns: Thank you.

I will go back to Mr. Ossowski.

I just want to clarify that you weren’t aware of Botler’s September 2021 misconduct report to the CBSA.

• (1605)

Mr. John Ossowski: I absolutely was not.

Mr. Gord Johns: Okay.

Have you ever received any marketing material with the GC Strategies logo on it?

Mr. John Ossowski: I have no recollection of it.

Mr. Gord Johns: Since taking over as managing director—

The Chair: We’ll go to Mr. Brock for five minutes, please.

Mr. Larry Brock (Brantford—Brant, CPC): Thank you, Chair.

This question is for both Ms. O’Gorman and Mr. Ossowski.

There are two basic principles when witnesses appear at parliamentary committee. Although they’re not sworn to tell the truth, there’s an expectation that all witnesses who appear tell the truth and give fulsome answers.

However, both of you testified before committee on December 8, 2022, and made zero reference to the RCMP investigating this matter.

Is that correct?

Ms. Erin O’Gorman: So—

Mr. Larry Brock: It’s a yes or no. Is that correct?

Ms. Erin O’Gorman: It’s not a yes or no.

Mr. Larry Brock: Ms. O’Gorman, did you advise committee on December 8, 2022, that the RCMP was investigating, yes or no?

Ms. Erin O’Gorman: We were in discussions—

Mr. Larry Brock: Is it yes or no, Ms. O’Gorman?

Ms. Erin O’Gorman: —and passing information to the RCMP through December and January on the Botler AI.

Mr. Larry Brock: I’ll take that as a no.

Mr. Ossowski, I have a question for you, sir—

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): On a point of order, Mr. Chair, if my colleague could just permit the witness to answer the question, it would be to the benefit of all of us.

The Chair: I appreciate that, but that is not a point of order. It is the member’s time, and we would ask that our witnesses answer the questions.

Go ahead.

Mr. Larry Brock: Mr. Ossowski, on December 8, 2022, you did not volunteer that the agency, the contracts that were awarded by the agency, and the consultants, were under RCMP investigation.

Is that a yes or no?

Mr. John Ossowski: I was not aware of any allegations.

Mr. Larry Brock: You were also asked on no fewer than five occasions about your knowledge of GC Strategies, and in particular about the owner or the president of GC Strategies, Mr. Firth. On each of those five occasions, you denied knowledge.

Today, you’re telling us that, oops, now you remember: Yes, there were communications, and yes, you were part of a meeting.

Why should we believe you now, sir, when you deliberately withheld that information when you were asked on five occasions about your knowledge of Mr. Firth and GC Strategies?

Mr. John Ossowski: Mr. Chair, I did not deliberately deny anything. I was made aware of those when Mr. Curry reached out to me on LinkedIn to say he was working on a story about this.

I told Mr. Curry that I had not verified any of my testimony with the agency and I did not have any access to my business records. To the best of my recollection, I answered truthfully that I had no recollection.

Quite frankly, I still have no recollection of meeting Mr. Firth.

Mr. Larry Brock: Thank you, Mr. Ossowski.

Mr. Ossowski, you were asked a question very early on in the meeting by my colleague, Mr. Michael Barrett. He asked about your time as president of the agency, asking, “Did you have contact with Kristian Firth of GC Strategies in that role?”, meaning your role as president.

Now knowing that you had a Zoom call meeting with Mr. Firth of GC, as well as the principals of Botler...

You said on record, sir, over a year ago, “No.”

That was wrong. That was a misleading statement to committee. Is that correct?

Mr. John Ossowski: I had no intention of making any misleading statement—

Mr. Larry Brock: I don't care about your intentions, sir.

Is that your response at the time? “No.”

Mr. John Ossowski: If you were here for my opening remarks, you would have heard that, in hindsight, I should have verified my testimony. I apologize for any confusion it has created.

Mr. Larry Brock: I want to know why you, as the president of a significantly large government agency, were not notified by your subordinates—one of them being Antonio Utano—about an allegation not only of wrongdoing but of potential criminality involving identity theft, fraudulent résumés, forgery, fraudulent billing, collusion and impersonation.

How is it, sir, that you, as president, would not be notified of a potential criminal investigation? Surely, that complaint went to your legal department.

Are you saying there is no chain of command, so that a situation like this, as serious as it is, does not get reported to the president?

Mr. John Ossowski: I have no recollection, and the agency has told me this matter was not brought to my attention during my tenure as president.

• (1610)

Mr. Larry Brock: It's rather convenient, though, that you, as an agency, reported this to the RCMP when the proverbial you-know-what had hit the fan and everyone was talking about this \$54-million price tag.

With the little time I have left, you can truly appreciate, given the lack of clarity from you and Ms. O'Gorman, why the RCMP's investigating this matter. You appreciate that now, don't you?

Mr. John Ossowski: I understand the significance of the allegations—

Mr. Larry Brock: Thank you.

Mr. John Ossowski: If it had been raised to me, I would have done the same thing as Ms. O'Gorman. I would have done an inves-

tigation and, if needed, I would have referred it to the RCMP. However, it was not.

The Chair: Thank you very much.

We'll go to Mr. Jowhari for five minutes, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

I was part of the initial study, and at no time during the testimony did we hear there was any involvement of the RCMP, so this comes as not only a surprise, but a bit of a shock, and the extent of it is mind-boggling.

I'm going to start with Mr. Ossowski. You are familiar with the article everybody's referring to by Bill Curry—you referred to it as well—which was published on October 4 and updated on October 6. I'm going to quote a statement made in it:

The allegations stem from a relatively small contract—valued at less than \$500,000—but the money flowed from a larger \$21.2-million contract for general services that was also used by the agency to fund outsourcing work related to the ArriveCan app.

If my recollection is correct, the application's initial pilot cost less than \$100,000 and then, as I recall, we had 70 modifications that were done. The total cost after the testing and all of those things was about \$9 million.

Can you shed light on how a contract valued at less than \$500,000 gets flowed into a \$21.2-million contract, and that \$21.2-million contract is part of a larger outsourced project?

Mr. John Ossowski: I wish I could, but I was not involved in any of the contracting options that were used for ArriveCAN.

Mr. Majid Jowhari: Who would be, sir?

Mr. John Ossowski: Mr. Doan probably had officials who were working on it. They were the ones who were looking at whether we had the staff internally to do it, whether we needed to bring someone in, and whether there was a contract vehicle in place and any of the firms had the talent we needed. It's a decision that's delegated down into the organization.

Mr. Majid Jowhari: Mr. Doan, is there anything you want to add?

I understand the concept. I was in management consulting and we had open contracts through which we provided services. I assume, as part of that open contract, that when the urgency came up, a portion of that contract was used to develop this app or further develop this app, but what is the process for then getting these authorizations?

Mr. Minh Doan: I was not aware of the specific vehicle contract that was used for the Botler engagement of which you speak.

Mr. Majid Jowhari: Who would have been there, then, sir?

Mr. Minh Doan: That would have been done by my team.

Mr. Majid Jowhari: If there is a contract that is less than \$500,000, you don't get involved, but when there is the use of a \$21.2-million contract, do you still not get involved?

Mr. Minh Doan: My managers and senior executives are sub-delegated. In terms of the subdelegation and what they—

Mr. Majid Jowhari: What's your authorization limit? What contract limit do you look at, from a dollar value?

Mr. Minh Doan: In terms of who is engaged, it's not only a question of dollar value, it's a question of risk. In terms of dollar amounts and risk, they are, and I count on them to—

Mr. Majid Jowhari: My apologies for interrupting, but it will be very hard to believe that an application that was supposed to save the lives of millions of people coming in is not considered as a high risk. I honestly cannot understand why, after all this time, we still don't have an answer.

Madam O'Gorman, I'll spend the rest of my time directing my questions to you.

Can you talk about what the difference is in the escalation process in 2021, when it was brought to the then president about the misconduct, and the fact that this time, on the second round, it was brought directly to you and you acted on it? Where is the mess?

• (1615)

Ms. Erin O'Gorman: I can't speak to what happened in 2021 and to whom the allegations were raised. I received an email from one of the partners of Botler AI, indicating that she had information relating to misconduct in the CBSA.

Mr. Majid Jowhari: Mr. Ossowski, my apologies, but did you receive direct communication from Botler in 2021?

Mr. John Ossowski: I did not, and the agency verified my records that I did not.

Mr. Majid Jowhari: Okay.

The Chair: That's your time, I'm afraid.

We have Ms. Vignola for two and a half minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

I want to pick up on my earlier question about how not a single public servant reported the situation.

Is it possible that the CBSA has a code of silence or that staff have a fear of reprisal if they speak out against a decision, position or practice originating from a higher-up? Does that exist?

Ms. Erin O'Gorman: It doesn't exist.

As the agency's president, I prioritize sound stewardship, responsibility and accountability, especially when it comes to managers. We have systems and processes in place to help them with those things.

As I said, when I found out about the problem with the contracts or the contracting process at the agency, I took a number of steps, which I talked about.

Do any of the agency's 15,000 employees have a different view than I do? Maybe, but as the president, I make it clear that I expect things to be managed in accordance with CBSA and Treasury Board policies and processes.

Mrs. Julie Vignola: Thank you.

I'd like you to clarify something for me.

Is the RCMP investigating allegations of misconduct by three companies involved in the development of the ArriveCAN app, or is it investigating the ArriveCAN app specifically?

Ms. Erin O'Gorman: I won't speak for the RCMP, which, I believe, sent information for clarification purposes.

In the fall of 2022, my professional integrity director sent me information regarding the allegations.

Mrs. Julie Vignola: Do the allegations pertain to the three companies or the ArriveCAN app?

[*English*]

The Chair: That is our time, I'm afraid.

[*Translation*]

Ms. Erin O'Gorman: The allegations pertain to Botler AI's contract with the agency.

Mrs. Julie Vignola: Thank you.

[*English*]

The Chair: Thanks, Ms. O'Gorman.

We have Mr. Johns for two and a half minutes, please.

Mr. Gord Johns: Mr. Doan, you stated that you didn't believe that Antonio Utano shared the September 2021 report with you.

If he didn't... You were his direct superior during this period. Is that correct?

Mr. Minh Doan: Yes, I was.

Mr. Gord Johns: That's even worse, because it sounds like he received the complaint but he was also the technical authority listed for the Dalian contract, which paid for the Botler contract. Can you speak about how this happened and how you feel about not being informed about it if that's the case?

Mr. Minh Doan: I would go back to... I expect all of my managers and certainly senior executives to conduct themselves around following values and ethics and a code of conduct, especially around anything that has contracting. I rely on them to raise to my attention anything that needs my engagement or intervention.

Mr. Gord Johns: Ms. O'Gorman, has Botler been paid in full? Are there any outstanding invoices?

Also, are you aware of any allegations of wrongdoing against your department from other contractors, especially since this has been brought to light, outside of Botler?

Ms. Erin O'Gorman: It is my understanding that the individuals at Botler AI have been paid.

I am not aware of any other allegations. That being said, I did ask for an audit of contracting. I referred these to the RCMP and to a professional integrity investigation. I assume that both of those processes will follow the threads of any material that comes up in the course of those investigations.

• (1620)

Mr. Gord Johns: Okay. Thank you.

Mr. Ossowski, since you left as the CBSA president, you've gone over to Pricewaterhouse Coopers. You've heard me complain about the outsourcing growing. It went from \$29 million in 2011 to \$93 million in 2021. Since you've taken over as managing director at Pricewaterhouse Coopers, can you talk about how much new business has been closed between Pricewaterhouse Coopers and the Government of Canada?

Mr. John Ossowski: Mr. Chair, respectfully, I'm here to respond to the concerns raised about my testimony last year. It's nothing to do with Pricewaterhouse Coopers.

Mr. Gord Johns: Okay.

Thanks so much.

The Chair: Thanks, Mr. Johns.

We have Mr. Genuis for five minutes, please.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thanks, Chair.

Ms. O'Gorman, how long have you worked for the Government of Canada?

Ms. Erin O'Gorman: Twenty-three years, approximately.

Mr. Garnett Genuis: In 23 years, how many times have you referred files to the RCMP?

Ms. Erin O'Gorman: I don't recall us ever referring a file to the RCMP.

Mr. Garnett Genuis: Okay. Thank you.

This scandal is fairly simple for the public to understand. You have two people who run a company with zero other employees. They are hired by the government. They do no IT work. They subcontract the work and they get a big cut for themselves: over \$11 million on ArriveCAN alone.

The government chose, for some reason, to hire these two middlemen, who did no IT work, to then hire someone else, and they got over \$11 million in the process. You're talking a lot about processes and procedures and how we tighten the screws on all the processes.... Doesn't that miss the core point that this one obviously really stinks? Why did government officials think it was a good idea to give over \$11 million to these two guys, who did no IT work, in exchange for their subcontracting services? To really get at the nub of the issue, Ms. O'Gorman, why do you think they were hired?

Ms. Erin O'Gorman: I wasn't in the agency when they were hired.

My understanding is that they had a standing offer that had been competed and established through Public Services and Procurement—whether I'm using the proper term, “standing offer” or “sup-

ply arrangement”—for staff enhancements that the CBSA and other departments would use in order to—

Mr. Garnett Genuis: Let me jump in.

These guys had a great thing going, then, clearly. Stephanie and I could say, “Hey, we have an idea. We're going to open a firm in our garage and get hired by the government to do work that we're then going to pass on to someone else, and we're going to take 15% or 30% of it.” What stops any two Canadians from doing that?

Ms. Erin O'Gorman: I'm seized with the contracting function in CBSA, and I have outlined how I'm addressing it—

Mr. Garnett Genuis: But let's take a step back and understand how this can happen—

Ms. Erin O'Gorman: The questions that you raise relate to other departments that might be better placed to respond to that.

Mr. Garnett Genuis: Okay, but clearly these two guys weren't just any two people. Clearly, they had access to someone or something that allowed them to get paid by the government to do nothing. Is that not a reasonable inference?

Mr. Minh Doan: Those are allegations that have come to light, to my knowledge, only recently, and I cannot comment on them.

Mr. Garnett Genuis: It just doesn't make sense, though, right? Would you agree that it doesn't make sense?

Mr. Minh Doan: What doesn't make sense? I apologize.

Mr. Garnett Genuis: The fact that two people were paid over \$11 million to do no work and subcontract.

Mr. Minh Doan: The CBSA worked very closely with PSPC and all the rules governed by PSPC on all of these engagements.

Mr. Garnett Genuis: Yes, but this is sort of process mumbo-jumbo. I think people would want to know that they got paid to do nothing. Why were they hired?

Mr. Minh Doan: I believe—

Mr. Garnett Genuis: Who made the decision? Let me ask that. Who made the decision?

Mr. Minh Doan: I believe, as my colleague at CBSA has said, that this is currently under investigation.

Mr. Garnett Genuis: You don't know who made the decision.

• (1625)

Mr. Minh Doan: Not to my knowledge....

Mr. Garnett Genuis: Okay, so none of you know who made the decision to hire these two guys, according to your testimony?

Mr. Minh Doan: I can say, based on memory, that my team made the decision.

Mr. Garnett Genuis: Who...?

Mrs. Stephanie Kusie: Who made the final decision?

Mr. Minh Doan: At this time, to my knowledge, I do not know, and it's part of the investigation that's currently under way.

Mr. Garnett Genuis: Okay, so two guys got over \$11 million from the Government of Canada to do no work, and none of you know who made the decision to give them that contract, but you're currently investigating. I'm glad the RCMP and not just you are investigating.

Mr. Chair, I would like to have a look at the emails that were sent or received from these witnesses who use the words Firth, Anthony or GC Strategies from March 2020 to present.

Can the department provide those within 30 days? Does the committee agree to ask for those documents within 30 days?

Ms. Erin O'Gorman: Without knowing the volume and the required translation, I don't think we could commit to a timeline, but we will endeavour to respond to that.

The Chair: I'm going to interrupt.

That is a committee motion, so it will be required in 30 days, please.

You have 15 seconds.

Mr. Garnett Genuis: Thank you.

I would also like to request the calendars of these three witnesses from March 2020 to present. Will the committee agree to request that information within 30 days?

The Chair: Yes. So be it.

We will finish up with Mr. Bains for five minutes.

Before I forget, witnesses, besides the 30-day one just mentioned by Mr. Genuis, OGGO has passed a motion that any other documents asked for, like those of Mr. Johns, are required to be back within three weeks of today. Thanks very much.

Mr. Bains, you have five minutes.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

I think we can all agree that so far what we have heard is pretty concerning.

I want to go back to Mr. Doan.

You mentioned earlier that it's your team. Who's on the team? How many people are on this team?

Mr. Minh Doan: At the time I was in that position, I had approximately 1,400 employees.

Mr. Parm Bains: Does that mean 1,400 employees are making this decision for a contract?

Mr. Minh Doan: Many of these decisions do not reside with one single individual, and many people are consulted on them. To my knowledge, I had six director generals who were reporting directly to me as well.

Mr. Parm Bains: You had six director generals. Would they be in the know? Would they be people who would know what's going on? You would assume....

Mr. Minh Doan: Each director general had their own area of accountability, so in some cases it would fall under one or two director generals, and in other cases it would be more, and more people would be consulted as part of our governance process.

Mr. Parm Bains: Maybe to Ms. O'Gorman, have those names been submitted to the RCMP, the team that's all included here? Is that all part of this investigation?

Ms. Erin O'Gorman: The RCMP is undertaking its own investigation, and I have no visibility, nor do I expect that I should have any visibility into the documents that they may or may not need. We will furnish them with anything they want to see.

Similarly, while I have been kept apprised of our professional integrity investigation from a process perspective, I acknowledge that the allegations are significant, and I have had updates in terms of the process. I am not aware and have not looked at the documents that they are looking at, because it is an independent process.

I am anxious for it to conclude. I understand that there is a back and forth with the RCMP, who, of course, will be able to—

Mr. Parm Bains: Okay. On your internal audit, then, are there any updates on the findings or the process that you're going through right now internally?

Ms. Erin O'Gorman: There's communication with the RCMP in terms of the ability to do interviews, and there's a deference to the RCMP. There were allegations of audio recordings, and our team was working with the RCMP in terms of the most appropriate way to obtain those audio recordings. I don't know if we have obtained them. Further, there were significant amounts of material that the investigators were going through. Like I said, I have had updates in terms of the process but not in terms of the detailed pages they are looking at.

Mr. Parm Bains: I'll go back to Mr. Doan. Considering what we've heard so far, how could the contracting process be modified to provide the federal government with more oversight on subcontractors?

Mr. Minh Doan: I think, based on the outcomes of the investigation and the allegations, many of the appropriate authorities, including colleagues at PSPC, should be engaged to review if there's a change or an update required in the subcontracting process. It is a fairly common process in both the private and public sectors, but I will need to get the outcomes of the investigation.

• (1630)

Mr. Parm Bains: In leading this team, right from the outset you're not thinking that you have any recommendations on what you can do differently right now.

Mr. Minh Doan: Based on the allegations at this time, I do not know what changes would be required until the investigations are complete and the findings are shared.

Mr. Parm Bains: You didn't know who made the decision, so what trade-offs would be required to achieve the outcome.

Mr. Minh Doan: As Ms. O’Gorman mentioned, some of the contracting training has been done, or continues to be done for CB-SA, to remind them of their duties and accountability. In terms of awareness, my managers and senior executives are subdelegated to make certain decisions, and I expect them to abide by the code of conduct and the code of values and ethics. I also expect them to raise anything that requires my attention, regardless of authorities.

Mr. Parm Bains: Thank you. Those are all the questions I have right now.

The Chair: Thank you, Mr. Bains.

Witnesses, thank you for being with us. Again, just as a reminder, on the items Mr. Johns and others asked for, it’s three weeks maximum unless otherwise noted by Mr. Genuis, which is 30 days from today.

Colleagues, we’re going to suspend to allow for our witnesses to leave, for new witnesses to come on and for sound checks. We are suspended.

• (1630) _____ (Pause) _____

• (1635)

The Chair: Colleagues, we are back in.

Welcome back, Mr. Conacher. You’re a long-time friend of this committee. Will you be doing an opening statement?

Mr. Duff Conacher (Co-founder, Democracy Watch): Yes, I will.

The Chair: We’ll start with a five-minute opening statement from you and then five minutes from Mr. Terrazzano. Please go ahead, Mr. Conacher.

Mr. Duff Conacher: Thank you, Chair, and thank you to members of the committee for the opportunity to talk on this important situation and the issues surrounding it today.

I will be making a written submission to the committee just to follow up on these remarks today and on your questions, which I welcome.

I actually wanted to start by referring the committee to the June 2021 report by your colleagues on the Standing Committee on Access to Information, Privacy and Ethics, entitled “Questions of conflict of interest and lobbying in relation to pandemic spending”. This report was filed with the House in June 2021, almost two and a half years ago. The recommendations in it have not been acted upon, and the government continues to delay taking these effective actions to prevent conflicts of interest and secret, unethical lobbying in spending decisions. Therefore, unethical lobbying and excessive government secrecy, as well as unethical big money influence and unethical decision-making in spending, are all legal in federal politics.

There are huge loopholes in several key laws that allow for all these things to be legal. As well, the enforcement is so weak that Canadians are more likely to get caught parking their car illegally anywhere in Canada than politicians and government employees are likely to get caught violating key ethics and spending rules.

As well, the penalties for illegal parking are higher than the penalties for serious ethics and spending violations by federal politicians and top government officials and government employees.

The system is the scandal. It’s not surprising that it encourages dishonest, unethical, secretive and wasteful actions, and this dangerously undemocratic and corrupt system must finally be cleaned up by closing all the loopholes, increasing transparency and making the ethics rules and enforcement of penalties much stronger.

To specifically focus on this situation, the fact that you can actually legally lobby in secret with no record is one loophole that has to be closed, and the way to do it is to reverse the onus, so that for all government employees, officials, politicians and their staff—everyone involved in politics—if someone communicates with you with respect to your decisions, then you register it. That’s the way to close all the loopholes and have all communications registered.

Those communications should be up on a registry. The Access to Information Act should require a duty to document all actions and decisions and also proactively disclose it. That will end excessive government secrecy.

Finally, as you have studied extensively, whistle-blower protection needs to be extended to everyone in Canada, not just government employees, so that suppliers can blow the whistle and be protected from retaliation by the system that the Integrity Commissioner runs. Of course, that system needs to be strengthened very much, as you have examined and reviewed, and hopefully Bill C-290 will end up making some of those key changes. If not, it’s just another area that needs to be addressed.

I’ll leave it at that, and I welcome your questions.

Again, I would just refer you.... In your deliberations on recommendations to prevent another ArriveCAN situation from happening, I think you should review again the June 2021 report of the Standing Committee on Access to Information, Privacy and Ethics, which was aimed at addressing questions of conflict of interest and lobbying in relation to pandemic spending.

• (1640)

The Chair: Thanks, Mr. Conacher.

Mr. Terrazzano is next, for five minutes, please.

Mr. Franco Terrazzano (Federal Director, Canadian Taxpayers Federation): I’m Franco Terrazzano. I’m with the Canadian Taxpayers Federation. I’m here on behalf of hundreds of thousands of Canadians who demand answers for the \$54-million ArriveCAN scandal.

Why does everything always cost taxpayers more? Who is going to be held accountable, and why is everything as clear as mud?

It cost \$80,000 to launch the app in 2020, and then, in July 2022, Canadians were told the cost had jumped to about \$26 million. A couple of months later, Canadians were told the cost had jumped again, to \$54 million, and then independent techies said the cost of building the app should be around \$250,000—a quarter of a million dollars.

Can you see why taxpayers are mad?

Every time we turn around, we are told ArriveCAN costs more. Who is going to be held accountable?

If I told my boss I was going to do something for \$10,000 and the actual bill was \$100,000, I'd have to polish up my resume. Taxpayers are out \$54 million because of the ArriveCAN app. Which bureaucrat is out of a job? Which bureaucrat is even out of a bonus?

Every year, about 90% of government executives get a bonus. What happened at the Canada Border Services Agency, the Public Health Agency and Public Services and Procurement Canada?

We're going to break some news right here at the committee, because we're going to talk about some documents we just got back from an access to information request. In these three government departments involved in ArriveCAN, the total compensation paid out to executives increased by \$40 million between 2019 and 2022. That's a 31% increase. The average compensation for these government executives went from \$193,000 to \$204,000.

The Prime Minister himself said the procurement process for the ArriveCAN app seems highly illogical and inefficient.

Will this committee recommend taking bonuses away from executives overseeing the ArriveCAN debacle, or is the message for next time, "Don't worry. You can blow through \$54 million and keep your bonus, because there is no accountability"?

The Prime Minister's 2021 mandate letter on public services and procurement said it's supposed to be "open and transparent", but taxpayers have been left in the dark ever since the beginning, whether that's on the actual cost of ArriveCAN or the details of who was actually working on the app.

The Canadian Taxpayers Federation filed ATIP requests on all manner of ArriveCAN records more than a year ago. As of October 2023, the CBSA has blown through six deadlines with no explanation, and the records we got back are riddled with redactions. There are hundreds of pages—including redactions.

Will this committee make recommendations to improve transparency?

You don't even have to come up with recommendations yourselves. You can just copy the Information Commissioner's recommendations. Require transparency from all agencies or companies the government outsources programs to. Stop abusing exemptions to deliberately keep information from Canadians. For brownie points, implement a sunshine list, like the vast majority of provinces.

Let's put this into perspective. Imagine going to a mechanic. They tell you the bill for a simple fix is \$80. They then tell you the bill is \$2,600. You get the final bill back and it's \$5,400, and the invoice is blacked out. You'd be outraged, but this is how taxpayers were treated with the ArriveCAN app.

We demand accountability. The question for committee members now is this: Who is going to be held accountable for the ArriveCAN scandal?

Thank you.

• (1645)

The Chair: Thank you very much, sir.

We'll start with Mrs. Kusie for six minutes.

Mrs. Stephanie Kusie: Thank you very much, Chair, and thank you very much to our witnesses for being here today.

Mr. Conacher, why do you think it is that the President of the Treasury Board announced last week, after the report came out of the ethics committee, that she was not prepared to make any changes to the ATIP process?

Mr. Duff Conacher: I don't understand it. It certainly doesn't comply with any democratic or government principles that have been established at the international level. It also breaks the Liberal government's promises in terms of open government that were made back in 2015—it continues to break them, I should say.

The government is focused on and claiming that open data—making some information more proactively available online—is the same thing as open government. Open government is the public's right to access information the government wants to hide. Open data is just making the information the government wants to disclose more available. They're not the same thing.

This government has a record of excessive secrecy, as the Information Commissioner has documented. It has broken all of its open government promises, except for a couple of them.

Mrs. Stephanie Kusie: Thank you for that.

I believe in her press conference, she indicated that she will not be looking at the matter until 2025. Conveniently, that is expected to be the year of the next election.

Next, Mr. Conacher, do you consider GC Strategies to be lobbyists? They've been presented in this scenario as vendors. In your opinion, could they be perceived as lobbyists? Would you consider them lobbyists?

Mr. Duff Conacher: I would just say that in terms of all the changes I have recommended generally, I would hope that opposition party leaders will, as with Bill C-290, join together and introduce bills to strengthen the Access to Information Act, the Lobbying Act, the Conflict of Interest Act and other democratic government measures. As with Bill C-290, the opposition parties have a majority in the House. They should be passing these bills and daring the Liberals and the Senate to vote against them.

In terms of GC Strategies, first of all, there's not supposed to be any lobbying during procurement processes. You can ask questions of the government institution that's contracting out, and the answers will then go to all the bidders. That is a registry of who asked the question and what the answer was. That's all that's allowed. Otherwise, you're lobbying. You are communicating in respect of decisions.

The big, huge loophole in the Lobbying Act, unfortunately, is that if you're not paid for the lobbying, you do not have to register. If you have a contract that says you're just providing strategic advice and that you're being paid for the advice, but that any lobbying you do is free, then you cannot be prosecuted under the Lobbying Act. You have not been paid for lobbying. It's a loophole that has to be changed, along with several other loopholes, to ensure that all lobbying is disclosed and secret lobbying is illegal. One of the big problem areas in this and many other policy-making processes is that secret lobbying.

As well, if the Lobbying Act doesn't apply to you, you can unethically lobby. You can provide gifts and assistance to the people you are trying to get government decisions from. You're not covered by the Lobbying Act, and therefore not covered by the Lobbyists' Code of Conduct. Until these loopholes are closed, as I said, the system is the scandal. Expect more scandals, because the system encourages them.

Mrs. Stephanie Kusie: Thank you.

Mr. Terrazzano, in a Globe and Mail article published on August 2 of this year, you stated the following:

We want the government to really go a step further and ensure that maximum transparency is built into the contracts and negotiating process. So businesses know, upfront, that if they are going to take taxpayers' money, then they're going to be required to be transparent with the public.

Do you agree that subcontractors should be included in ATIP requests?

Mr. Franco Terrazzano: Yes, absolutely, especially with this, when we're now talking about a total bill of \$54 million for a simple app. How do we know it's a simple app? It's because two independent techies were able to build it or recreate it over two days.

I think we taxpayers have every reason to be scratching our heads right now, wondering who's going to be held accountable for this \$54-million scandal. I think one of the reasons all of this happened is a lack of transparency.

Mrs. Stephanie Kusie: Do you think government departments should be aware of any subcontracting relationships that stem from the federal funding of private suppliers?

• (1650)

Mr. Franco Terrazzano: Yes. Sure. I absolutely think there needs to be more information.

Mrs. Stephanie Kusie: How would you recommend that the federal government increase its oversight into subcontractors without undue administrative burden and to ensure that the federal government is not overpaying for its services?

Mr. Franco Terrazzano: I have a couple of suggestions.

First, the Information Commissioner, on the Government of Canada's review published in January of 2021, makes a great recommendation for this. Recommendation two is essentially that agencies that are getting these outsourced contracts be subject to access to information. Right now, one of the access to information requests we got back had tons of redactions. The government is essentially using section 16 and section 19 to withhold information that the public deserves.

Mrs. Stephanie Kusie: In your opinion, what is the impact on Canada's economy when contracts are being given to private suppliers who then subcontract this work, rather than focusing on in-house solutions?

The Chair: I am afraid that is our time.

Maybe you can answer that in writing to the committee.

Mrs. Stephanie Kusie: Thank you, Mr. Chair.

Thank you, witnesses.

The Chair: Mr. Sousa, you're up for six minutes, please.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Mr. Chair, and thank you to the witnesses for being here.

Certainly, we are all concerned about ensuring that there's proper discipline, transparency and integrity in the process of procurement. I know that as a government, at all levels, frankly, we take that very seriously. We want to ensure that everybody abides by the rules and that we concur with the outcomes, so I appreciate your being here as we look for those answers on transparencies.

Mr. Terrazzano, do you sit on the board of the Taxpayers Federation?

Mr. Franco Terrazzano: No, I don't.

Mr. Charles Sousa: You're not one of the volunteer directors.

Mr. Franco Terrazzano: I am a federal director of the Canadian Taxpayers Federation.

For more information on the structure of the Canadian Taxpayers Federation, head over to taxpayer.com. You can take a look at our website, and while you're there we have a bunch of great petitions to sign. A popular one right now is to scrap the carbon tax.

Mr. Charles Sousa: How many directors are on the board?

Mr. Franco Terrazzano: Once again, if you want—

Mr. Charles Sousa: I went on it, and it doesn't say. It didn't tell me how many board members there are.

Mr. Franco Terrazzano: Already we've spent a minute talking about the Canadian Taxpayers Federation.

Mr. Charles Sousa: Why don't you want to answer that question?

Mr. Franco Terrazzano: Let me just say, with respect to the member: If you want all of the information about the Canadian Taxpayers, an overview of our financial statements, head over to taxpayer.com.

I will just add, if you just spent half of the time worrying about the people who fund your pay as you are right now questioning me about the CTF, all taxpayers would be better off.

Mr. Charles Sousa: Actually, I'm just trying to assess the level of representation, because the Taxpayers Federation creates a great voice. I'm trying to understand the consequence.... You can't tell me how many board members there are, how many directors are on the board.

Mr. Franco Terrazzano: We have 235,000 Canadians—

Mr. Charles Sousa: How many board members are there?

Mr. Franco Terrazzano: In 2021 and 2022, the CTF raised \$5 million on the strength of more than 45,000 donations. The average donation is around \$110. I am here on behalf of hundreds of thousands of Canadians who want answers for a \$54-million spend.

Mr. Charles Sousa: It's my time, Mr. Chair.

I understand from your response, though, that Atlas Network and State Policy, from the United States, are also major donors—

Mr. Franco Terrazzano: We do not take any funding from international sources, only Canadian....

Mr. Charles Sousa: —and they're U.S. donors, not just Canadians.

I would like to ask the next question, if I may.

The Chair: Please let Mr. Sousa finish.

Mr. Charles Sousa: Mr. Terrazzano, you're very concerned about this. I'm not trying to accuse anybody of anything. I'm just trying to assess the level of the non-partisan activity of the Taxpayers Federation.

I know that many elected politicians have sat on the Taxpayers Federation, like Jason Kenney, Mike Harris, Rob Ford and a number of other great Canadians, who have represented a strong partisan level of Reform and Conservative Party...and that's okay.

I just want it to be clear to the public, and those here in the committee...to understand that level of non-partisan...and the level of integrity about which...going forward. I'm just trying to sense the level of funding that is received from the United States of America

by your federation, the lack of transparency in terms of your board and how they're elected—because they're not elected by your members; they're not elected by the very people you've made mention of, by the bylaws, I understand.... You're just selecting yourselves within that board, and you're not being very clear.

I'm going to proceed with my next question as to the analysis of ArriveCAN.

Just out of curiosity, have you spoken to law enforcement in regard to the ArriveCAN issue?

Mr. Franco Terrazzano: We do not take a cent from outside Canada. We have 235,000 Canadian supporters, and we're here because hundreds of thousands of Canadians are demanding answers to the \$54-million ArriveCAN scandal—

Mr. Charles Sousa: We're all concerned. I'm with you on that.

Mr. Franco Terrazzano: Look, we have techies who were saying that the cost of this was supposed to be \$250,000—

The Chair: Mr. Terrazzano, we have a point of order. I'm sorry to interrupt.

Mr. Jowhari.

• (1655)

Mr. Majid Jowhari: Can you kindly ask the witness to answer the question?

Mr. Garnett Genuis: Can I speak on the same point of order?

The Chair: Go ahead, Mr. Genuis.

Mr. Garnett Genuis: Thank you, Chair.

The Liberals are clearly more interested in holding private organizations accountable than they are in being accountable themselves. I wish they were as interested in answering questions about their own behaviour as they are in asking questions to private citizens and private organizations.

Mr. Irek Kusmierczyk: It's not a point of order. It's a statement.

The Chair: Colleagues, let people finish the points of order, and let me rule on them before you start criticizing me.

Is this a point of order, Mr. Johns?

Mr. Gord Johns: Yes, it is.

The Chair: Can you make it brief, so I can discuss this—

Mr. Gord Johns: I want to hear from Mr. Terrazzano, actually. He's brought some really good and important feedback to this committee.

I ran a chamber of commerce. I can remember years ago how many people sat on my board. I'd never forget, for any board, how many people would sit on my board.

I think this is a reasonable question. He's a witness testifying at committee, and he should answer the question. It's under oath.

The Chair: Let me judge.

I will be honest that I don't believe any of these are valid points of order.

I would ask Mr. Sousa to ask the questions and not talk over Mr. Terrazzano. He is free to answer as opaquely as ministers do and as deputy ministers do.

Mr. Sousa is welcome to be as pointed as, perhaps, the chair was in a past life, sitting and asking the questions.

Can we proceed, because we're running short of time?

You have one minute and four seconds left.

Mr. Charles Sousa: Thank you, Mr. Chair. I'll proceed to Mr. Conacher.

The Auditor General's in the midst, as you know, of completing this audit of the ArriveCAN application. Do you have confidence in her ability to complete the audit, Mr. Conacher?

Mr. Duff Conacher: I do, generally. I would prefer that the appointment process for all of Canada's democratic government watchdogs and government watchdogs across the country be more non-partisan, that it be an independent commission coming up with a short list of qualified candidates and then sending it to an all-party committee to make the final choice rather than having it in the hands of the ruling party.

The fact that she has a fixed term of office does help secure her independence and helps—

Mr. Charles Sousa: I'm sensitive to time.

In regard to the RCMP, which is currently undertaking the investigation regarding ArriveCAN, do you trust the RCMP in completing its investigation?

Mr. Duff Conacher: I have the same concerns with regard to the appointment process of the commissioner. It was done by the ruling party cabinet. It should not be done that way. It should be a non-partisan process, because the RCMP and all the other watchdogs are enforcing key laws that apply mostly to cabinet and should not be chosen by cabinet.

I also have serious questions about the RCMP, based on what we have discovered through access to information requests concerning the investigation of the SNC-Lavalin affair and the fact that we're still waiting for 2,200 pages of documents that the RCMP is still hiding a year and a half after we requested them.

The Chair: I'm sorry. That is your time.

Next we have Madame Vignola for six minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

My question is for Mr. Terrazzano and Mr. Conacher.

In the course of the committee's study on the ArriveCAN app, previous witnesses have suggested that, in the long run, the government would do well to invest in its own IT experts and to provide training.

Would that be a better use of federal resources? If not, how do we make better use of existing resources?

Do you have any thoughts on that, Mr. Terrazzano?

[*English*]

Mr. Franco Terrazzano: I didn't catch that. Can you repeat it? I apologize.

[*Translation*]

Mrs. Julie Vignola: No problem.

If hiring new people or training existing IT people and providing ongoing training isn't the way to go, I'd like to know why, first of all.

Second of all, what would be the best option from a value for money standpoint? I get a lot of emails from taxpayers about that.

[*English*]

Mr. Franco Terrazzano: For starters, it's hard to believe that of the additional 98,000 government employees who have been hired since 2015, we couldn't tap two of them to be able to figure out who in Canada can build and do the IT work on an app. It's hard to believe, as the in-house costs of the government have increased due to about 40% additional bureaucrats since 2015, that we couldn't tap them to figure out who to have build and maintain the app.

The second question as it relates to recommendations is that we're really looking for accountability moving forward. Which government employee is going to be held accountable for this? Who's going to lose their bonus? Who's going to be out of a job?

Also, we have to improve transparency measures. We talked about the Information Commissioner's recommendations to make sure that the agencies that are getting these outsourced contracts are fully transparent with taxpayers to make sure that government institutions can't use different sections of the act, specifically sections 19 and 16, to withhold information from taxpayers.

As I mentioned, as a brownie point, I believe that we should also implement a sunshine list, like the vast majority of Canadian provinces.

• (1700)

[Translation]

Mrs. Julie Vignola: Thank you.

Mr. Conacher, do you have anything to add?

[English]

Mr. Duff Conacher: Thank you.

[Translation]

I'm sorry, but I have to answer in English. My French needs work.

[English]

The situation, I think, is that I was interviewed almost 20 years ago by a CBC reporter about a past information technology scandal. I said that it's not surprising at all. You have middle-level executives who don't know computers very well trying to make huge computer purchases. Of course they're going to choose wrong.

We need to have a system put in place of people in house, in the public service, who know what they're doing. Then, if you want to have people like GC Strategies, you just pay them as advisers. They should not be getting 20% to 30% commissions for finding subcontractors. Just pay them as advisers for a contracting process to do a due diligence as to whether the companies that are bidding have competence. Then they would be paid...not \$11 million to give that advice.

It's a capacity issue. It's existed for 20 years. I think if you looked at any big business you would find the same thing. For a long period of time, you had middle executives who had no expertise in computers and technology making huge technology purchases, and screwing up and wasting a bunch of money most of the time.

[Translation]

Mrs. Julie Vignola: Thank you.

Earlier, I asked federal officials about something I really find surprising. I'm shocked that not a single public servant at any level reported anything odd in the awarding of contracts for the Arrive-CAN app.

Do you have a theory as to why no one on the inside reported anything? How do we fix that?

You can go first, Mr. Conacher, followed by Mr. Terrazzano.

[English]

The Chair: We have only 35 seconds, so be brief, please.

Mr. Duff Conacher: Thank you.

You know well the gaps in whistle-blower protection. You're always sticking your neck out if you blow the whistle in the public service. People outside of the public service can't blow the whistle. I think that really is what explains it.

It is controversial, but I think there should be a duty to report if you witness wrongdoing or something that seems to be wrong. You should have to report it to the Integrity Commissioner.

I know that's a controversial recommendation, but I believe in it.

The Chair: I'm afraid that is our time.

It's Mr. Johns next, for six minutes, please.

Mr. Gord Johns: We're moving Bill C-290 through the House right now around whistle-blowing. Subcontractors aren't included.

Mr. Terrazzano, do you think that needs to be fixed? Clearly, we need to provide an outlet.

This company, Botler, took a lot of risk. I think they're heroes, really, for stepping out. They're potentially going to be penalized by the government.

Can you speak to that?

Mr. Franco Terrazzano: I haven't reviewed that specific piece of legislation, but if you can encourage the greatest amount of transparency possible around the procurement, with as much whistle-blower protection as possible, then I think that is a step in the right direction to encourage transparency.

• (1705)

Mr. Gord Johns: How do you feel about government officials—and politicians, too—working in really high-level roles and then leaving the government to go and work for huge outsourcing companies?

Do you have a problem with the optics of that?

Mr. Franco Terrazzano: I think the problem comes into play when there aren't guardrails on the government's side, when there is a lack of transparency, and when government agencies and institutions bend the rules when it comes to transparency requirements.

We've seen that first-hand, just with the ATIPs that we got back on this. We have literally about 300 pages that contain redactions. I think taxpayers deserve that information.

Mr. Johns, just to throw a kudos to you, I've seen some of your comments in the media about how it's wrong to keep Canadian taxpayers in the dark. I think that's what happened right from the beginning of this process.

Mr. Gord Johns: Thanks.

Mr. Conacher, Botler shared with The Globe and Mail first-hand accounts and physical evidence that showed a pretty cozy relationship between Mr. Firth and government officials.

When a government contractor refers to public officials as his personal friends and urges prospective contractors to single out a public official for praise when a public official is offering live coaching to prospective contractors as they pitch their product, does that show a typical relationship between a democratic government and private contractors, or does it seem like an improper one?

Does it raise any red flags, in your experience?

Mr. Duff Conacher: It raises a lot of red flags—violations of the Lobbyists' Code, and I believe these people are lobbyists. The Lobbyists' Code does not allow you to lobby someone, which means communicate in respect of their decisions, when you have a relationship with them of friendship that causes the appearance of a conflict of interest.

Then, on the government side, the executive testifying earlier said that he expected all of his team to follow the Values and Ethics Code for the Public Sector. The problem is that it's just an expectation.

My father had an old saying. People do what you inspect, not what you expect, and there is no inspection. It's all an honour system, and honour systems don't work. They work for most people, who are honourable, but for whatever percentage it is who are not you need inspection and auditing systems. You need full disclosure of their values, their assets and liabilities, and their conflicts of interest before any decision-making process begins, with a watchdog who is auditing and inspecting regularly so everyone knows you have a high chance of getting caught.

Otherwise, as I said, the system's the scandal and you're going to get scandalous behaviour.

Mr. Gord Johns: Can you talk about what the consequences would be for violating lobbying rules, and what the cost would be?

Mr. Duff Conacher: The consequences for violating the Lobbying Act are high, but the RCMP over the last 20 years have shown they won't enforce it. They just bumped five cases of the 11 that had been referred by the Commissioner of Lobbying back to the commissioner, and the commissioner dropped all five. There have been three prosecutions since 1988. It's a joke. They just don't take it seriously.

In the Lobbyists' Code, the consequence is a report in Parliament that you violated the Lobbyists' Code. That's not going to discourage anyone. There are several lobbyists who have been found guilty of violating the Lobbyists' Code who were promoted and got more contracts as lobbyists, obviously because they sent a message to the marketplace that they will lobby unethically if it gets you what you want, and people want that.

Mr. Gord Johns: In lobbying, though, how much money would you make on a contract like this? They are making \$11 million in this current model. What would they make as a lobbyist, on average?

Mr. Duff Conacher: I don't know the averages, because it's not required to be disclosed. You don't have to disclose, unlike in the

U.S., how much you are spending on lobbying efforts as an organization, or how much you're paying consultant lobbyists. It should be part of what's disclosed. It's one of the loopholes in the Lobbying Act.

As for the penalties, you could go to jail, but as I said, the RCMP has let nine out of 10 lobbyists off the hook, so what's the incentive to comply? If you don't have an incentive to comply, you won't see compliance.

Mr. Gord Johns: Okay. As a committee we have seen how difficult, or even impossible, it is to trace the government's spending when it's hidden in layers of subcontracting.

Can you talk about what problems this raises? Obviously, the NDP would like to see this done in house, or at least for the middle person to be cut out of the equation, but if the government is going to continue to contract and subcontract out, do you have any recommendations for how that can be documented in a way that allows transparency and accountability?

Mr. Duff Conacher: As I mentioned earlier—

• (1710)

The Chair: I'm going to have to cut you off, Mr. Conacher. I'm sorry. We have only about 40 seconds, so please be brief, or just offer to send in a response.

Please go ahead.

Mr. Duff Conacher: As I mentioned, increase in-house capacity and then have advisers to whom you don't have to pay \$11 million. Then just contract to those who are bidding, without subcontracting, and the Access to Information Act has to apply to everyone who receives the contract. You can't be hiding subcontractors' names under the so-called Access to Information Act.

The Chair: Thank you to both of you.

Mr. Brock is next, please, for five minutes.

Mr. Larry Brock: Thank you, Mr. Chair.

To you, Mr. Terrazzano, I want to thank you for all the good work, important work, that you're doing at the Canadian Taxpayers Federation. Your vigilance in terms of ensuring that taxpayers receive value from this government is admirable. I just wish the government would take a page from the good work you do.

Primarily, my questions are for you, Mr. Conacher. I appreciate your legal background. Did you ever practise criminal law?

Mr. Duff Conacher: No. Actually, I never practised law. I was a non-practising member of the bar for 10 years, but I haven't practised.

Mr. Larry Brock: Okay. I want you to harken back to the first year of law school, to the criminal law I'm sure you took and to the basic principles of *mens rea* and *actus reus*.

I know you were successful, sir, through an ATIP, in receiving some 1,815 pages of RCMP records with respect to their “assessment” as opposed to an investigation.

We now know that there are well over 2,000 pages that have yet to be released to you. Is that accurate?

Mr. Duff Conacher: Yes, that's accurate.

Mr. Larry Brock: Quite frankly, sir, with my legal background of over 30 years, I have prosecuted multiple homicides that had less disclosure than obstruction of justice. All Criminal Code offences are serious, but this one in particular is very serious. It's a hybrid offence, and, if convicted by indictment, that individual would go to prison. I appreciate the seriousness with which you conducted yourself, sir, on behalf of Canadians.

There have been certain details released in the press with respect to some of the information that was learned by you and others with respect to this information, these records. It's abundantly clear that, for close to four years, the RCMP, which claims in a newspaper report that it conducted the most thorough, comprehensive and fair assessment of all the evidence, interviewed only three people. Were you aware of that, sir?

Mr. Duff Conacher: Yes, that's what the records show.

Mr. Larry Brock: The reason I'm asking these questions, sir, is that the NDP-Liberal coalition shut down an ethics committee yesterday to prevent the RCMP commissioner from testifying on very important details as to how they legally concluded that they lacked the reasonable and probable grounds to arrest Justin Trudeau for obstruction of justice.

I want to harken back to your legal career, Mr. Conacher, and think about the evidence that Canadians heard, that we as parliamentarians heard, but more importantly, the evidence the RCMP heard. The evidence the RCMP heard was the direct testimony of our former, first-ever indigenous attorney general Jody Wilson-Raybould, who kept incredibly detailed notes and also recorded conversations, so I want you to factor that in. Also factor in our former ethics commissioner, Mr. Dion, who concluded that the Prime Minister, with the support of friends, other members of cabinet and the Prime Minister's office, conducted a series of overt direct acts attempting to influence the decision of Jody Wilson-Raybould.

You know, sir, that under the Criminal Code section 139, the actual obstruction need not take place. You could be found guilty with just an attempt. Is that fair?

Mr. Duff Conacher: Yes, attempt is covered.

Mr. Larry Brock: Do you find it rather curious that the RCMP, after four years of interviewing a sum total of three individuals—and the Ethics Commissioner quadrupled that; I think they interviewed 16 to 17 witnesses—collapsed the house of cards and claimed that there was no “corrupt intent” on behalf of the Prime Minister. Were you aware of that phrase that the RCMP used?

• (1715)

Mr. Duff Conacher: Yes, that's in the records—

Mr. Larry Brock: Do you agree with me, sir, that a corrupt intent is not an essential ingredient to the *mens rea* requirement under section 139? In fact, all you need to prove is that it criminalizes deliberate acts that seek to obstruct, interfere or hinder the pursuit of justice. In this case, the pursuit of justice is that Jody Wilson-Raybould had the courage to say that the Prime Minister was not going to influence her and that she was not going to give a remediation agreement to a corporate entity in Quebec that had some serious criminal charges. You can understand and appreciate why—

The Chair: I'm afraid, Mr. Brock, that is our time.

Mr. Larry Brock: You can understand and appreciate why we wanted to hear from the commissioner. Would you agree?

Mr. Duff Conacher: Yes.

The Chair: Thank you, that is our time.

Mr. Kusmierczyk, you have five minutes.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

I have a question for Mr. Conacher.

There are two companies that are sort of at the heart of the allegations, and they're two companies called Dalian and Coradix. The allegations of fraud state that they had submitted in their bids inflated experience or inflated information that would allow them, for example, to get increased per diems or even qualify for the contract.

Mr. Conacher, is this something that happens with regularity in these types of processes? I ask that because, again, this is a very, very serious issue. This goes to the heart of the issue of trust in our procurement process, so I very much appreciate your being here to answer our questions.

Mr. Duff Conacher: I don't know how regularly that occurs. It is one of the most difficult parts of this situation, I think. How much due diligence has to be done within government before a contract is handed out?

The problem with subcontracting is that it exponentially increases the due diligence burden on the government officials. That's why I think everything should be changed to eliminate these middle people. Just have companies who are actually doing the work bidding on the contract, without all these complicated subcontracting schemes. They are schemes. They will hide something, as a result, which will likely result in some violations of the rules that would not be possible if there was a direct contract with a direct bidder.

Mr. Irek Kusmierczyk: I appreciate that very much.

I mentioned trust. Again, this issue has been caught. It is being studied right now and investigated. Should Canadians trust the investigation? You already spoke about trusting the Auditor General in her work. Can we trust the RCMP process to get to the bottom of this, in your opinion, from what you've seen in the past?

Mr. Duff Conacher: As I mentioned, with the SNC-Lavalin situation there have been so many questions raised, with so much excessive secrecy and silence from the RCMP over four years, that we essentially forced disclosure. We forced them to make a public statement about the situation after four years. It shouldn't be allowed by any rule, so I have very serious questions about the RCMP.

The executive mentioned that there's an internal investigation going on and that it's independent. No internal investigation is independent. It's just not. An independent investigation means it's by someone who is actually independent, who is not in the pay hierarchy or the power hierarchy of an organization. That's why we have democratic government watchdogs, but they're all chosen by the ruling party, with very little consultation or input from the opposition parties. It shouldn't be that way either.

All these things need to change. The rules need to be strengthened in enforcement and penalties, or the system's a scandal, and you'll see scandalous behaviour continue.

Mr. Irek Kusmierczyk: Thank you.

Mr. Terrazzano, if the RCMP does find evidence of wrongdoing in this particular case, what are some of the consequences? Should we expand the scope? When I look at the facts, the two companies at the centre of this issue of concern are Coradix and Dalian. They've had contracts with the Conservative government that date all the way back to 2013, when they received \$22.8 million from the Harper government; in 2014, \$26.6 million from the Harper government; and in 2015, \$27.6 million from the Harper government. The amount totalled \$75 million.

If wrongdoing by these two companies, Coradix and Dalian, is found, do you think the RCMP and the Auditor General should expand that investigation to reach back in time and look at those contracts?

• (1720)

Mr. Franco Terrazzano: When it comes to legal issues, I'll leave the specifics with the RCMP. The Auditor General's report we'll leave with the Auditor General until we see the report.

What I'm really hoping for is that this committee will look forward at how to put in the guardrails to make sure this doesn't happen again, where we get a simple app for a \$54-million hit to the taxpayers. I think the best two ways to do that...is to ensure accountability.

Taxpayers are out \$54 million because of the ArriveCAN app. Which bureaucrat or bureaucrats will be out of a job? Which bureaucrat or bureaucrats will be out of a bonus? As we look down the road, no matter which party is in power, whether it's the Conservatives, the Liberals, the NDP, the Bloc or whatever party is in power, we can't have the incentive be, "Hey, you can get away with this type of waste. It doesn't matter, because you'll get a bonus."

The Chair: That is your time.

Ms. Vignola, you have two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Terrazzano, in January 2023, you wrote an article expressing skepticism that the federal government's internal review of ArriveCAN would lead to meaningful changes.

I wholeheartedly agree with you that there should be a checklist before someone is allowed to receive a bonus. Bonuses aside, what would make an internal review truly effective and lead to real accountability?

If you're going to mention sunshine lists, could you please explain what they are, for the benefit of those following today's proceedings?

[English]

Mr. Franco Terrazzano: Yes, a sunshine list just discloses the compensation of the top earners in government, to see how that trend is increasing year over year.

As I mentioned, the vast majority of provincial governments implement a sunshine list for transparency 101 for taxpayers. I think that is a good, transparent movement for all Canadians at the federal level.

What would make an internal study from this committee as good as possible? You mentioned the bonuses. I mentioned the bonuses earlier. I think the committee needs to identify which government employees were responsible for the wrongdoing, where we went from \$80,000 to \$26 million to \$54 million. Who was responsible?

Above that, why weren't other government employees, especially those at the top, saying anything when the costs were \$80,000, \$800,000, \$8 million, \$18 million and so on?

Beyond that, I really do believe that an immediate step to improve transparency is to just take the recommendations from the Information Commissioner, published in January 2021. Specifically, recommendations 2 and 4 are with respect to agencies that get these types of contracts being subject to the Access to Information Act. Recommendation 4 is that government employees or institutions can't skirt the access to information requests with section 19 when it doesn't apply.

The Chair: Thanks, Mr. Terrazzano and Ms. Vignola.

We'll go over to Mr. Johns.

Before you start, please, could you read into the record the information you requested earlier, so we have it properly on the record?

I won't take away your time. Go ahead, please.

Mr. Gord Johns: Thank you. I asked six questions, so please be patient.

First, on September 27, 2021, Botler informed the CBSA that it should immediately stop payments to the contractor and request a refund of any amounts already paid. The question was, what did CBSA do in response? We didn't get an answer, so we asked for that to be tabled.

The next is whether GC Strategies is named on the Botler task authorization. They didn't answer.

Did the CBSA suggest that payments for this task authorization should flow through Coradix to GC Strategies and then finally on to Botler?

How much did the CBSA grant in additional contracts to GC Strategies, Coradix and Dalian after the report on September 27, 2021?

Has the CBSA ever consulted legal services with respect to Botler's allegations? She couldn't answer.

Those are all for Ms. O'Gorman to report back to the House within 30 days.

This for Mr. Doan: How many projects with GC Strategies, as either a contract or subcontract, were approved during your term as CIO of the CBSA, and what is the total value of those contracts?

It's 30 days, too, for Mr. Doan.

• (1725)

The Chair: Thanks.

Please go ahead with your two and a half minutes, Mr. Johns.

Mr. Gord Johns: Mr. Conacher, thanks to Ms. Dutt and Mr. Morv, we've also had access to an email they received from Mr. Firth of GC Strategies. It's absolutely outrageous.

Mr. Firth tells them, "Corradix/Dalian [were] brought in as a pass through and they demanded 15%.... Your cost, plus 15% for me and 20% for Corradix etc., it rose to close to \$500k!!"

He describes how CBSA was "pissed" at the resulting price increase. He says he wasn't going to tell Botler about the Dalian middleman at all. He thought he could leave them "none the wiser".

Personally, I cannot be convinced that Dalian was necessary to facilitate this work when the party doing the work didn't even know they existed. On top of that, Mr. Firth is so confident that he can get Botler additional government contracts that he appears to offer to waive his fee for this contract and recover it from future ones.

This is all public information.

He says he's willing to remove himself from the deal. He asked if Botler wants him to "recover from Corradix" or "let it slide and look out to the next one to recover". He mentioned a possible future contract with CRA.

If Mr. Firth is indeed suggesting that Botler pay him for his work on this project out of a future contract, would that be an example of contract performance fraud?

What other concerns does this raise for you, Mr. Conacher?

Mr. Duff Conacher: Yes. The other concern it raises is essentially saying it's a contingency fee payment of future contracts that I will get from you, and you'll pay me then a slice of that contract, essentially, as a success fee. That is illegal under the Lobbying Act. That's the other concern it raises.

Mr. Gord Johns: In terms of your overall response to this, when you see it, what are your thoughts in terms of what needs to change to never allow this to happen again?

Mr. Duff Conacher: It's increasing the capacity of the public service internally, but also increasing the accountability of the public service. If people internally are going to be handing out these contracts as opposed to using these middlemen, who are really lobbyists.... The ones who are getting the contracts and subcontracting are really acting as lobbyists, who build these relationships and then are the gateway—

The Chair: Mr. Conacher, I apologize. We have to cut you off there, because we're down to our last few minutes. Maybe you could provide in writing the rest of your answer.

We have just a tiny bit more time. We are going to go for two and a half minutes each to Mr. Genuis and then to Mr. Kusmierczyk.

Please go ahead, sir.

Mr. Garnett Genuis: First, I have a follow-up on our request for information. It was mentioned that six DGs worked for Mr. Doan.

I would like to request the names of those individuals as well as emails sent to or received from them using the words "Firth", "Anthony" or "GC Strategies", from March 2022 to the present. I'd like them from the department within 30 days.

Is there agreement from the committee for that request?

Some hon. members: Agreed.

The Chair: That's fine. Thank you.

Mr. Garnett Genuis: Mr. Terrazzano, thank you for your work. I wonder if Mr. Sousa is being tough on you, because he's smarting from your recent revelation about the NCC spending \$8 million to replace a barn.

I have farmers in my riding, and I think many of them could build a barn for less than \$8 million.

Do you want to speak ever so briefly to that revelation?

Mr. Franco Terrazzano: Yes. I mean, eight million bucks on a barn...? The National Capital Commission and Rideau Hall teamed up to soak taxpayers for a whole bunch of waste.

Look, I think the real issue here with the ArriveCAN app is the fact that it originally launched for \$80,000, and at the end of the day we somehow ended up with a total hit of \$54 million to the taxpayer. I think all Canadians who are worried about this scandal are now left scratching their heads, wondering who is going to be held accountable. If no one is going to be held accountable for this within the government, then what's stopping this type of waste from happening again?

• (1730)

Mr. Garnett Genuis: Thank you, Chair.

I think fundamentally we need to replace this Liberal-NDP government with a government that cares about spending and values taxpayers' money.

Mr. Chair, I am very concerned about the testimony we received in the previous hour and the gaps in the testimony previously shared with the committee. As such, I would like to move the following motion:

That the committee report to the House this motion of censure, expressing strong disapproval of testimony given by Erin O'Gorman on November 14, 2022, and by John Ossowski on December 8, 2022. In an apparent breach of the committee's privileges, Mr. Ossowski definitively and inaccurately denied any contact with Kristian Firth and Ms. O'Gorman failed to share information at the committee about an RCMP investigation despite knowing about the investigation at the time.

Chair, I think it's important for us to report to the House these concerns we have regarding the testimony that was received, because committees need accurate information from witnesses in order to do their jobs.

In the one case, the committee received information that apparently was inadvertently inaccurate, but I checked the record from December 8, and Mr. Ossowski was quite definitive. He didn't say, "Not to my knowledge," with respect to contact with Mr. Firth; he said a definitive no.

I think the committee might have been inclined to view the issue more charitably if he had simply said, "It's possible. I don't recall," but he was very definitive in his denial at that time.

I think the evidence suggests that Ms. O'Gorman—although as far as I can tell she was not directly asked about an RCMP investigation—should have been forthcoming about that information.

For committees to do their work, they need clear, forthcoming and accurate testimony. When there are areas that witnesses are not aware of, they should at least acknowledge those things. We continue to be looking for information about who made this decision, who was responsible for this decision; and that information continues to be withheld.

I want to put that motion forward. Thank you.

The Chair: I'm going to assume you do not have that in French to circulate.

Mr. Garnett Genuis: Mr. Chair, I'm moving it as the matter at hand, and I'm moving it verbally. I was putting it together during the course of the discussions here. I did send it to the clerk maybe 10 minutes ago, but I assume the translation process isn't complete yet.

The Chair: I'm just asking because I'm hearing requests to have it distributed. I wanted to double-check before saying that it's not available to distribute.

Colleagues, can you give me 15 seconds, please?

Colleagues, quickly, if everyone is fine with it, I'm going to dismiss our witnesses. There are a couple of other things I have to discuss before we continue with that.

Mr. Conacher, thank you again for joining us. Thank you, always, for your advocacy for whistle-blowers. I appreciate it.

• (1735)

Mr. Duff Conacher: Thank you.

The Chair: Mr. Terrazzano—

Mr. Majid Jowhari: We did not get their time.

The Chair: We are out of time. I have to get to other things, which will make sense. Trust me.

Mr. Thorpe, thanks for showing up.

I'm going to dismiss.

We also are at a point where we have to grant our interpreters at least an hour's break.

I'm going to suggest that we suspend for just a couple more seconds, so that we can excuse our translators. Let me just chat with—

Mr. Majid Jowhari: Mr. Chair, I move to adjourn.

The Chair: We have a motion to adjourn.

Mr. Garnett Genuis: I have a point of order, Chair. I put this motion on the floor, highlighting significant concerns we have about testimony. The government wants to adjourn that discussion right away, clearly.

I'm not sure if the government even properly had the floor when they moved that motion, and you do have to have the floor to move a motion.

Again, the government is looking for ways to shut down the conversation on this issue, clearly. That's obviously very disappointing, but it's not at all surprising that they're moving to shut down the discussion right now.

However, they do have to do so within the rules, and I don't believe that member had the floor.

The Chair: Colleagues, we require an hour's break as soon as possible, so I am going to suspend the meeting for an hour.

I'm sorry, but we have to suspend as soon as possible.

Mr. Gord Johns: Can I say something really fast?

The Chair: No, I'd prefer not.

Be really brief, Mr. Johns.

Mr. Gord Johns: Can we come up with an agreement to bring this back Thursday? I think it's worth the conversation. That's all I'm working for.

I think that a lot of us have commitments here tonight. I am supposed to be in the House.

I hope we can come to terms with an agreement that would bring this back on Thursday to have a full conversation.

Mr. Garnett Genuis: We have the Botler witnesses for two hours on Thursday.

The Chair: Colleagues, I'm going to suspend. We have to suspend.

We'll discuss this separately.

We are suspended.

• (1735) _____ (Pause) _____

• (1735)

The Chair: Colleagues, thank you.

We are back in session.

I think we have general agreement on what we are doing on Thursday. Are we comfortable adjourning now?

Mr. Genuis.

• (1740)

Mr. Garnett Genuis: My understanding is that we're going to maintain the full two hours of testimony with our scheduled witnesses, and we're going to set aside additional time in order to deal with this motion after we've been able to hear from those witnesses on Thursday.

The Chair: I understand it's a short amount of additional time. We're hoping it will take around 10 or 15 minutes to address this.

Mrs. Vignola is next, and then Mr. Johns.

Be very brief. Again, we are losing resources.

Mrs. Vignola.

[*Translation*]

Mrs. Julie Vignola: The interpretation cut out for part of Mr. Genuis's remarks, so I want to make sure I understand correctly.

My understanding is that we're going to keep the two hours with the witnesses, with the motion to be discussed afterwards. I assume we will have it in both of Canada's official languages, of course.

[*English*]

The Chair: Are we in agreement, then?

Colleagues, I would just ask that different parties might want to get together in the next couple of days to iron out the motion.

If we are in agreement, we are adjourned.

Some hon. members: Agreed.

The Chair: Colleagues, thank you very much. The meeting is adjourned.

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