



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

43rd PARLIAMENT, 2nd SESSION

Standing Committee on Access to Information, Privacy and Ethics

EVIDENCE

NUMBER 014

Friday, December 4, 2020

Chair: Mr. David Sweet



Standing Committee on Access to Information, Privacy and Ethics

Friday, December 4, 2020

• (1305)

[English]

The Chair (Mr. David Sweet (Flamborough—Glanbrook, CPC)): Good afternoon, colleagues.

We will begin now and wait to see if Mr. Dong comes online as we go, but we have our witnesses before us right now.

From Baylis Medical, we have Mr. Frank Baylis, as well as Mr. Neil Godara. From FTI Professional Grade, we have Mr. Rick Jamieson.

We'll begin with opening remarks from Mr. Baylis and Mr. Godara, and then we'll go to Mr. Jamieson. We'll then go to the questions and answers.

Mr. Baylis and Mr. Godara, you have seven minutes, please.

Mr. Frank Baylis (Executive Chairman, Baylis Medical): Mr. Chair, I believe Mr. Jamieson wants to speak first, if that's okay.

The Chair: That would be okay.

Mr. Jamieson, you can go ahead for seven minutes.

Mr. Rick Jamieson (President, FTI Professional Grade): Sure, I'm happy to do that.

Good afternoon, Mr. Chair and honourable members.

I'm happy to provide information on how a Guelph company came to produce ventilators. I am the president of FTI Professional Grade Inc. We are the prime contractor for the delivery of 10,000 V4C-560 ventilators. To date, FTI has delivered 7,788, and we expect to complete our contract before the end of December.

Pre-COVID.... I am the co-founder, president and CEO of ABS Friction and Ideal Brake Parts. We've proudly manufactured Canadian-made brake pads, which we export worldwide. Every Ideal box contains a Canadian flag pin in it. We just celebrated our 25th anniversary in business.

COVID-19 has required an extraordinary response from our country's manufacturers. In March, the federal government made a call to action and asked Canadians to help. I immediately realized this was an opportunity for me to step up and help the country.

I was personally motivated to take action and help with the fight, for two main reasons. The first was that, on March 12, I received an email from a family friend in Italy who told us about the total lockdown of the country. Doctors were making unbearable decisions about who would live and who would die. The lack of ventilators impacted the situation. The second reason was that I feared for vul-

nerable family members. On March 19, I stepped away from my full-time responsibilities at ABS Friction and Ideal Brake Parts to co-found the Ventilators for Canadians consortium.

I put up a website to outline our purpose, to make ventilators. We had the energy, experience and expertise to do the job. This was our moment to serve. At the very beginning, we looked at crowdfunding. We had access to the financial resources for licensing and the engineering talent; however, we had no medical quality system. A number of companies were identified, but two proven medical device manufacturers were shortlisted. After researching numerous options, we approached a U.K. company about a licensing collaboration. During that evaluation, we introduced ourselves to Baylis Medical to satisfy our requirement for a medical quality management system and facility.

Manufacturing a Health Canada-approved medical device is very complex. We determined that Baylis Medical was qualified to take on this project as our subcontractor. The U.K. design fell through because of supply chain concerns and the ventilator's suitability for COVID use. We had put together a very capable team and we pursued other designs.

I reached out to the public service to discuss what we were doing. Soon after, we began the vetting process with the public service and presented our solutions to an expert panel. This was my first public contracting process with any government. On Saturday, April 11, Easter weekend, FTI signed a contract with Public Works to deliver 10,000 ventilators based on Medtronic's PB560 permissive licence. This design has been used for over 10 years and is utilized to treat patients worldwide. Negotiations took place, and a contract between FTI and Baylis Medical was signed on Thursday, April 16. Baylis Medical then began the process of submitting the required documentation to apply for regulatory approval based on the Health Canada emergency interim order.

We received Health Canada approval for the ventilator on Tuesday, June 16. We are the only consortium in the world that has successfully replicated, received regulatory approval for and manufactured the proven Medtronic PB560 ventilator. That's the result of the collaboration between two Canadian companies—FTI and Baylis Medical.

FTI's approach to utilize the Medtronic permissive licence allowed us to reduce the time to get high-quality ventilators to Canadians from three years to three months. Typically, it takes three years to develop, achieve regulatory approval for and manufacture a medical device. It took us only three months from contract signature on April 11 to first delivery to the Public Health Agency of Canada in mid-July.

Our ventilator is versatile. It has features and benefits to address acute and non-acute hospital care, long-term care and in-home environments. We're extremely proud that FTI has delivered 7,788 ventilators to the Public Health Agency of Canada so they're available for Canadians who need them.

I would like to thank the inspiring group of people who've helped us from around the world, including Medtronic for making its design available, and most importantly the Public Health Agency of Canada, Health Canada, Public Works, and Innovation, Science and Economic Development Canada and others from the government whom I've surely missed and who have guided FTI through this process.

I would like to recognize the honourable members of the committee and parliamentarians for their continued support of Canada's COVID-19 response.

I would be pleased to answer your questions.

• (1310)

The Chair: Thank you very much, Mr. Jamieson.

Now we will move to Mr. Baylis and Mr. Godara.

Mr. Frank Baylis: As Rick Jamieson said, in the spring of this year, a terrible situation was unrolling in Europe. People were dying because of a lack of ventilators. Very soon after that, the same situation reproduced itself in the United States of America, our neighbours just to the south, in New York State—a state that touches Canada. People were dying and doctors were beside themselves with having to make decisions about who should be put on a ventilator and who, unfortunately, would not be. That's not a position doctors should be in.

When Mr. Jamieson contacted us and asked us if we would be part of this consortium, our answer was yes, absolutely.

Today, Canadians can feel safe. We are not out of the COVID situation by any stretch, but at least they can feel safe in the knowledge that that situation that happened in Europe and in the United States, where people were left to die because of lack of access to medical equipment, will not happen in Canada. We have played a small part in that, but we're very proud of the role we played with Ventilators for Canadians. We thank Mr. Jamieson for reaching out to us.

[*Translation*]

The situation that we saw in Europe, particularly in Italy, occurred here in North America. In the United States, people died because of a lack of ventilators. This situation won't occur in Canada. Canadians and Quebecers can feel safe knowing that there will be enough ventilators for everyone, if necessary. Our work with the Ventilators for Canadians consortium made it possible for us to deliver the ventilators. We're extremely proud of this.

Thank you.

[*English*]

The Chair: Mr. Godara, you have another five minutes.

Mr. Neil Godara (Vice-President and General Manager, Baylis Medical): Good afternoon. Thank you for inviting me to speak today.

My name is Neil Godara and I'm the vice-president and general manager of Baylis Medical's design and manufacturing services division. In that division, I'm responsible for the design, development and manufacturing of complex medical devices typically used in the treatment of spinal pathologies. I also lead our involvement in the V4C-560 ventilator project. My background is in biomedical engineering. I have overseen the design and development of over 100 medical devices across multiple medical disciplines.

Before I speak about the ventilator, I would like to share a little bit about the history of Baylis Medical. Baylis Medical was founded in 1986 by Mrs. Gloria Baylis, a registered nurse. Since then, for over 30 years, Baylis has had a track record of developing and manufacturing leading medical devices in the fields of cardiology, radiology, cancer treatment, and spine pathologies.

Currently, our devices are used to treat patients and improve patient care right around the world. Over the years, we have worked hard to develop a fully vertically integrated organization to support that endeavour. What this means is that we have all the necessary capabilities, from conceiving a device and developing it to getting the regulatory approvals and manufacturing it as well.

In total, we are one of the largest medical device companies in Canada in the field of medical devices, and we are also one of the largest in advanced medical device manufacturing as well. Our products specifically are known for advancing the state of medicine in the areas where we operate and also for being of exceptional quality.

Typically, the devices we make at Baylis are highly complex systems. They are used in very sick patients. They are developed, typically, at the intersection of engineering, basic science and clinical care. As such, because of our background, our team has quite a comprehensive understanding of the activities required to bring a medical device to market towards improving patient care. The part of the business that I oversee specifically deals with developing and manufacturing medical devices for other companies around the world. Inside that department, we develop very complex electrical and mechanical devices that are in fact very similar in complexity to a mechanical ventilator.

It's for those reasons that when Rick Jamieson, the Ventilators for Canadians consortium and FTI reached out to me and asked if we would support their efforts toward supplying ventilators to Canadians, of course our gut reaction was to say yes immediately.

What we knew then, and it has proven to be true, was that our existing structures, our expertise and our experience aligned very closely with the technical requirements for building ventilators. To realize that, what we had to do was move a great deal of our resources over to this initiative. Starting in April, after we began, we moved a large portion of our engineering team, supply chain team, regulatory affairs, quality affairs, our physical and manufacturing operations, intellectual property, legal, and our human resources teams—all these folks were moved over to support the ventilator effort since mid-April. Since we started manufacturing, our manufacturing teams have been working 24 hours a day, seven days a week toward supplying the ventilators to FTI en route to the Government of Canada.

To date, as mentioned by FTI, we have supplied nearly 8,000 ventilators in support of Canada's COVID-19 efforts, and we're extremely proud to have played a role there.

I would like to take a moment, on behalf of the hundreds of employees of Baylis and the many teams around the world that have supported us in making this, to say that we've had access and talked to many front-line workers and we are completely moved and overwhelmed by their efforts to support Canadians and those who are suffering from COVID during this pandemic.

For what it's worth, we are very grateful for having this chance to serve our country in this time of need.

Thank you.

• (1315)

[*Translation*]

The Chair: Thank you, Mr. Gordara.

I'll now give the floor to the first speaker.

Mr. Paul-Hus, you have six minutes.

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Thank you, Mr. Chair.

Mr. Jamieson and Mr. Baylis, thank you for your comments.

However, I want to remind you of the question that we want answered today. There was obviously some form of collaboration to ensure that a \$237-million contract was awarded to Baylis Medical

indirectly through a shell company. We can agree that Mr. Jamieson's company—

[*English*]

Mr. Rick Jamieson: Excuse me, Mr. Chair.

Unfortunately, I'm not getting any interpretation simultaneously.

I apologize. I don't know what he just said.

The Chair: We'll work on that for a second.

Mr. Paul-Hus, would you try the question again, so our IT team can work on getting translation to Mr. Jamieson?

[*Translation*]

Mr. Pierre Paul-Hus: Okay. We can perform a test, before I start again.

[*English*]

The Chair: Did you get translation on that, Mr. Jamieson?

Mr. Rick Jamieson: I did not.

The Chair: Mr. Jamieson, at the bottom of your screen there should be an icon with interpretation. Do you have it selected to English?

Mr. Rick Jamieson: I did not have it selected.

What do I have to do?

The Chair: Select English.

Mr. Rick Jamieson: Okay. My apologies, folks.

The Chair: Give us a test now, Mr. Paul-Hus.

[*Translation*]

Mr. Pierre Paul-Hus: Good afternoon, Mr. Jamieson. Can you hear me properly?

[*English*]

Mr. Rick Jamieson: I can hear you perfectly.

The Chair: Mr. Paul-Hus, I will refund you the time. Go ahead and pose your question.

[*Translation*]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

Good afternoon, Mr. Jamieson, Mr. Baylis and Mr. Godara.

We're here today because we're very uncertain about how this \$237-million contract was awarded. It's clear to everyone, at least to us, that Mr. Baylis, after finishing his term as a Liberal member of Parliament in October 2019, found a way to obtain the contract through the shell company created by Mr. Jamieson. I think that we're all great Canadians and that we all want to save our country. However, the fact remains that this issue involves \$237 million in taxpayers' money.

Mr. Baylis, when did you first speak to Mr. Jamieson?

• (1320)

Mr. Frank Baylis: Mr. Jamieson established the consortium. Someone in the consortium knew a person in our company and contacted that person. The person in our company suggested that the person in the consortium speak to Mr. Godara. Another person then called Mr. Godara. That's how it all started. Mr. Godara spoke to Mr. Jamieson. Afterwards, Mr. Godara told me that these people wanted us to get involved in their consortium. He gave my telephone number to Mr. Jamieson, and Mr. Jamieson called me.

Mr. Pierre Paul-Hus: Okay, but—

Mr. Frank Baylis: Before I go any further, Mr. Paul-Hus, I want to be very clear. I think that you said that I tried to create a shell company or something of that nature. However, I didn't know Mr. Jamieson. I had never met him before in my life. I didn't know anyone in his consortium. They were the ones who called us. We're recognized in the field. We're one of the largest medical device companies in Canada. He called us and asked us for help. That's what he asked us for. I think that he called on March 29 or 30, but I'm not sure of the date.

Mr. Pierre Paul-Hus: Mr. Baylis, this date coincides exactly with the deadline for the call for tenders, which was March 31. FTI Professional Grade was created the same day. Seven days later, it was awarded the contract by Public Services and Procurement Canada. This raises many issues. It sounds too good to be true. It sounds like a fairy tale. We're talking about a \$237-million contract. That isn't a small contract. We're talking about a contract worth a quarter of a billion dollars that was settled in no time. Canadians find it very hard to believe that it wasn't fixed.

Let's talk about prices. We know that the PB560 ventilators sell for \$13,000 on the market. You're selling them for \$23,000. For the whole contract, this amounts to an additional \$100 million.

Can you explain to Canadians why we paid an additional \$100 million for a contract that was awarded in the blink of an eye?

Mr. Frank Baylis: We can certainly answer your question about the prices.

I'll turn the floor over to Mr. Godara. As vice-president and general manager of this section, he set the price. He can explain it to you in detail.

[*English*]

Mr. Neil Godara: Thank you.

I'd be happy to explain exactly how we approach this.

Our device is a replica of the Medtronic PB560 ventilator. The way we approached it is that we priced our ventilator the same as the Medtronic PB560, which was \$10,000 U.S. at the time. That's what we started with.

The reality is that what we're providing is more than the base ventilator, because we had to accessorize and configure the ventilator for appropriate use during COVID. There are three separate areas we had to account for.

The first is that the ventilator that we provide had to be provided with many more accessories so that, when it was ultimately delivered to a hospital and starting to be used on multiple patients, which is different than how the PB560 would be used, it would be ready to go. We provided 10 times the number of accessories called exhalation blocks. We provided 10 times the number of inlet filters. We provided six times the number of oxygen inlet connectors. We specially configured the ventilator for appropriate settings for COVID. Additionally, we set it up with settings that are appropriate for COVID patients.

That was bucket one, which was to really flesh out systems that are appropriate for those patients.

• (1325)

[*Translation*]

Mr. Pierre Paul-Hus: Thank you—

[*English*]

Mr. Neil Godara: There are two other buckets related to the cost. I'd like to explain, if I may, because I know this is one question that has come up often.

The second one was that we had to establish a completely new manufacturing facility dedicated specifically for ventilator production. We had to hire 250 people and get special tooling, equipment components, and we also had to secure a global supply chain.

We had those two, and then the third one is that, beyond that, we had to account for the fact that during COVID things were much different than when the PB560 would be made. There were major changes in shipping costs. We knew that—

[*Translation*]

Mr. Pierre Paul-Hus: Thank you, Mr. Godara. I'm sorry to interrupt you, but I'm running out of time for my questions.

Mr. Jamieson, your company manufactures brakes. Where did you get the idea to make ventilators?

[*English*]

Mr. Rick Jamieson: It's exactly what I said in my opening introduction.

We thought we could make ventilators. Our theory for Ventilators for Canadians was to go license a ventilator. I make auto parts every day. We make a safety device. First of all, in auto parts, when making brakes, you have to stop a car at a very high speed. The complexity of making a ventilator and meeting regulatory requirements in the United States is quite similar; it's just a different way—

The Chair: Mr. Jamieson, I'm sorry to interrupt you. At committee, time is always our enemy. I gave you a few seconds more just so you could get some answer in.

Please do feel free to expand on your answer during another question from another member if you'd like, but I'm trying to arbitrate and be fair with time.

Mr. Rick Jamieson: That's no problem.

The Chair: Now we go on to Mr. Fergus for six minutes.

Mr. Greg Fergus (Hull—Aylmer, Lib.): The trick, Mr Chair, is always to find that unmute button. Thank you very much.

Thank you to the witnesses for coming here today.

My questions are going to be for Mr. Baylis in particular. Before that, Mr. Baylis, on behalf of myself and my colleagues all around the table, we'd like to extend to you our condolences on the recent passing of your father a couple of weeks ago. I'd like to share that with you.

Mr. Baylis, did you in any way try to influence the government to issue the contract for ventilators to Mr. Jamieson's group?

Mr. Frank Baylis: Thank you, Mr. Fergus, for your kind words about my dad.

I know that has been suggested. I can state unequivocally here that I did not speak to.... People said I spoke to the Prime Minister. I did not speak to the Prime Minister. I did not speak to cabinet ministers to ask them or influence them for a contract. I did not speak to members of Parliament of any party. In fact, I didn't speak to anybody to try to influence them to give a contract to Baylis Medical or to Mr. Jamieson or to Ventilators for Canadians.

I was involved in one phone call that Mr. Jamieson had set up, which had to do with the advancement that we needed to go secure the parts. That was my involvement with Mr. Jamieson as he was negotiating and putting together this consortium. I was not reaching out or doing any kind of backroom—as it's been suggested—request to anyone to get me a contract or to get Mr. Jamieson a contract, or Ventilators for Canadians or FTI.

In that light, I can say I did not speak to anybody, whether in government or not.

Mr. Greg Fergus: I appreciate that. Let me just build on that and your answer.

When did you first find out that Mr. Jamieson's group had been awarded the contract for ventilators?

Mr. Frank Baylis: I think he had it on April 11, I believe.

This was happening very fast, Mr. Fergus. It was a whirlwind of activities. He had said that he was working on this and pushing it forward. In those first few weeks, we saw the tragedies unfolding around the world.

When we think about New York state and New York City, it's very close to our major cities—

Mr. Greg Fergus: Very much so.

Mr. Frank Baylis: —and COVID did not know political barriers, so it was a rush and a very pressurized situation, I can tell you that.

• (1330)

Mr. Greg Fergus: Mr. Baylis, in spite of the recent passing of your father, I'm certain you were monitoring what was being said about you in the media or at this committee. I'm certain you noticed that the Ethics Commissioner had found no reason to investigate you.

Can you explain why, apart from a political witch hunt, you are here today?

Mr. Frank Baylis: Obviously, Mr. Fergus, it saddens me in a certain way that this has happened.

I understand that I am a past member of Parliament and things will be politicized and that there are people who will see that there is political gain to be had by that. I understand that; I'm not naive.

I can tell the Canadian people, and I can state unequivocally, that I did not use any relationships to try to get any contract for anything. I have not done that. Not only that, I am very proud of what we've accomplished.

There have been a number of statements, as you said, Mr. Fergus. First of all, there have been 14 contracts—not one or two, but 14 separate contracts for ventilators and accessories. Mr. Jamieson's contract and FTI's Ventilators for Canadians is just one of 14. These ideas that it was single-sourced are falsehoods that have been spread, if I could say that.

Mr. Greg Fergus: Mr. Baylis, I have one final question.

As a former MP, you are aware that anything you say in this committee is protected by privilege. Is there anything you would like to say to some of the members who have made what I characterize as outrageous statements about you, your company and your partnership with Mr. Jamieson?

Mr. Frank Baylis: No, I understand the political game.

I think what everybody should know and what everybody should really feel good about is that this is a wonderful coming-together. This could not have been done without the work of Mr. Jamieson and this consortium, which provided logistics, manpower and procurement expertise. Really, I think people should see the wonderful thing of these people coming together, of different stripes, different businesses, and I might even say different political inclinations.

I'll let Mr. Jamieson explain how we all came together.

Rick, I don't know if you want to mention something there too.

Mr. Rick Jamieson: The only thing I would mention is that I did not know Mr. Baylis, number one.

Number two, it never dawned on me that politics would ever enter into my relationships with my subcontractors.

That's it. We were doing a job that we thought... I can tell you that we worked 16 hours a day and we had a huge team of people who were involved in this project. I did not know who Mr. Baylis was. Actually, I didn't know who Baylis Medical was. Despite the fact that this is a big company, I'd never heard of them before.

I'm in automotives. They don't run in my circles. I don't know these people.

Mr. Greg Fergus: Thank you very much.

Mr. Chair, do I have any more time?

The Chair: You have three seconds, Mr. Fergus, just enough time to find your mute button.

Mr. Greg Fergus: Thank you to all the witnesses.

The Chair: Thank you, Mr. Fergus.

Thank you, Mr. Jamieson and Mr. Baylis.

Now we'll move on to Madame Gaudreau.

[Translation]

You have six minutes.

Ms. Marie-Hélène Gaudreau (Laurentides—Labelle, BQ): Good afternoon. I'm very pleased to be meeting with you today.

I have one very simple question, but also some questions that will require you to explain things a little further. The first question is for Mr. Jamieson.

In your remarks, you said that you contacted the public service. I didn't hear the name of the person whom you contacted when you suddenly wanted to save people. We can understand that your goal is very commendable. That said, whom did you contact?

[English]

Mr. Rick Jamieson: Are you asking me if I'm a lobbyist? Is that the question? No, I'm not a lobbyist. I'm an auto parts manufacturer. This is the first time I've ever been involved in a government contract. Simply, our theory was that we had three—

[Translation]

Ms. Marie-Hélène Gaudreau: I can't hear the interpretation.

[English]

Mr. Rick Jamieson: Oh. I'm sorry.

[Translation]

Ms. Marie-Hélène Gaudreau: I understand English to some extent. However, I've noticed that I'm not getting the interpretation.

[English]

Mr. Rick Jamieson: My apologies.

The Chair: You didn't change the button on your screen, did you, Mr. Jamieson?

[Translation]

Ms. Marie-Hélène Gaudreau: The question is quite simple. You said that you contacted the public service. That's what I heard in the interpretation. Whom did you contact?

• (1335)

[English]

Mr. Rick Jamieson: Absolutely. Like I said, I'm not a lobbyist. I wouldn't even know the first thing about being a lobbyist. That's something that happens in Ottawa. It doesn't happen in Guelph. Lobbying the mayor is asking to get your road fixed.

[Translation]

Ms. Marie-Hélène Gaudreau: I understand.

[English]

Mr. Rick Jamieson: We were in full compliance with the procurement process. I reached out to the government in order to explain what Ventilators for Canadians was doing. We were trying to build a licensed ventilator. That's why I told you, in the opening statement, that what we did was—

[Translation]

Ms. Marie-Hélène Gaudreau: Okay, but whom did you contact?

[English]

Mr. Rick Jamieson: I'm not sure I'm supposed to mention actual civil servants' names. I don't think that's fair.

[Translation]

Ms. Marie-Hélène Gaudreau: I'll ask you the question later.

[English]

Mr. Rick Jamieson: I don't know what the rules are.

[Translation]

Ms. Marie-Hélène Gaudreau: I'll tell you what I'm getting at.

I completely understand that, when you're in business, you may really want to save the world, but you also want to do business.

The issue is that you did business with Mr. Baylis, who, with all due respect, knew the lobbying rules. After a term as a member of Parliament, you can't lobby the government for five years, if you want to be as neutral and transparent as possible. In this type of situation, you must be as pure as the driven snow.

Technically, when I look at the documents, I don't see any reports in the past 12 months. That's why I want to know whom you spoke to in the public service.

[English]

Mr. Rick Jamieson: Okay. I'm happy to answer that in a different way.

I can tell you that I contacted the public service before I met Mr. Baylis, or before I even met Baylis Medical. That's the best answer. We were reaching out to the government, because we thought we were going to crowdsource these ventilators and give them to Canadians. What happened was that I got some advice from a retired partner of one of the big accounting firms, who said, "This is government's responsibility. If you crowdsource and it doesn't work out for you, people who have given you money won't be very happy."

So we changed directions. That's how it happened.

[*Translation*]

Ms. Marie-Hélène Gaudreau: You know that you can identify the official to whom you spoke, right? Many names have been provided to this committee. Like you, we want to make sure that taxpayers' money is being well spent.

So whom did you talk to?

[*English*]

Mr. Rick Jamieson: I actually spoke to a gentleman named Charles Vincent. I can even tell you how I found Mr. Vincent. Essentially, I knew one single politician who I thought might be able to get me to Ottawa. I called the Mayor of Stratford, Dan Mathieson, whom I personally know. I asked him if he knew anybody. He said he would call Ottawa and see if he could get someone to talk to me. I said I'd be at my desk until 11 o'clock at night for the next three nights. Mr. Charles Vincent called me back at 11:30 at night and we talked until 1:30 in the morning. I explained to him what I was trying to do.

The problem for me was that I felt if we could raise a lot of money from the public.... I called specifically to ask the government the ethics question—we're at an ethics committee—of how it would look if private donors in Toronto who were willing to give me millions of dollars wanted those ventilators to go to Toronto hospitals. The problem was that we were Ventilators for Canadians. We wanted to ask a senior civil servant how we might do that. When he found out what we were doing—

[*Translation*]

Ms. Marie-Hélène Gaudreau: That's perfectly legitimate.

I know that time is running out. I have one last question.

You did business with Mr. Baylis. Given his years of service and his recently completed term, he knew how things worked. Did he tell you about everything?

I'm a new member of Parliament. Let me tell you, there are so many rules to follow that, before making any move, we check as many things as possible.

I want to ask you the following question, Mr. Baylis. Did you warn Mr. Jamieson that rules were in place, including the rules in the Lobbying Act, to ensure full compliance?

Mr. Frank Baylis: I wasn't involved in all the work that Mr. Jamieson had done. I spoke to him to determine whether, as a manufacturer, he met the ISO 13485 standards and had already obtained all the necessary approvals from Health Canada. I wasn't personally involved. I didn't know whom he was speaking with.

Ms. Gaudreau, at the time, I don't think he even knew that I had been a member of Parliament. That isn't why he called me. He found out that I had been a member of Parliament only when the media reports came out. That's how events unfolded.

• (1340)

Ms. Marie-Hélène Gaudreau: I know that, when I'm no longer a member of Parliament—of course, this will happen to us all one day—I'll be careful when conducting business over the next five years. I'll make sure that I know whom I'm speaking with. However, in this case, we're not talking about hundreds of dollars in business dealings. We're talking about thousands, or even millions of dollars. That's why I, on behalf of my constituents, have trouble understanding what happened. I believe you, but please explain it to me.

Do I have any time left, Mr. Chair? I don't think so.

[*English*]

The Chair: That's all the time we have.

[*Translation*]

Thank you, Ms. Gaudreau.

Ms. Marie-Hélène Gaudreau: Thank you.

[*English*]

The Chair: Thanks to the witnesses as well.

Now we'll move on to Mr. Angus for six minutes.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you, gentlemen, for coming this afternoon.

Frank, I'm very sorry to hear about your father. You know, we really miss you on this committee. We had to find a reason to bring you back. Welcome back to the committee that you served so well.

I am very interested in the issue of the ventilators. I remember the crisis in March and the panic and the need to get funding out the door on these issues, particularly on ventilators. But we aren't the health committee. We're here at ethics. The issue with ethics comes down to making sure that we follow the rules.

In 2008, Rahim Jaffer, who was a former member of Parliament, a public office holder, returned to try to get a deal with the government he had served. He was convicted for breaking the Lobbying Act. Mr. Bruce Carson was a former public office holder. He was charged and convicted for coming back to the government he served. They were offering good ideas. Mr. Jaffer's was green energy. Mr. Carson's was clean water for first nations.

When your name came up, obviously, it raised questions.

Mr. Baylis, did you contact the Ethics Commissioner when you got involved in this? What did he say?

Mr. Frank Baylis: Thank you for your kind words, Charlie, about my father.

If you're missing me another time in ethics, just give me a call, please. I'm happy to speak to you other than being summoned here.

Mr. Charlie Angus: Okay.

Mr. Frank Baylis: No, I did not contact Mr. Dion. I think that he's a very competent man. He knows the rules. I have been watching this. Obviously, my name has come up. I am aware, as Mr. Ferguson pointed out and as the rules state very clearly, that his job is to monitor the works of sitting members of Parliament. His job is not to provide advice—nor is there any opportunity to provide advice—for non-sitting members of Parliament.

Having said that, let me answer your question a different way.

The world was going through a horrendous situation. We saw doctors crying that people were dying because they didn't have enough ventilators. That was—

Mr. Charlie Angus: Sorry, Frank, I don't have a lot of time here.

Mr. Frank Baylis: Let me just finish.

It's an ethical question. My point is—

Mr. Charlie Angus: I get that.

My question is, did you talk to the Ethics Commissioner or not?

Mr. Frank Baylis: My point is that this is about the ethics, Charlie, if I could, please.

When Mr. Jamieson called us up and asked if we would help them, my answer then, ethically, was yes. Absolutely. I didn't need to ask the Ethics Commissioner to vet that question.

Mr. Charlie Angus: No, I totally understand, Mr. Baylis.

Your other former colleague, Jane Philpott, whom I have enormous respect for, went to work up in my region when she finished parliamentary life. I think some of your Liberal colleagues made a complaint to Mr. Dion and she wasn't allowed to work with some of the most impoverished first nation communities. Your Liberal colleagues had said that under the rules, she couldn't do that as a former office holder.

I'm just trying to get a sense of how this came down. I was surprised that Minister Anand said she had never heard of you. She said she couldn't pick you out of a crowd. Personally, I thought she was selling you very short. You were very popular in Parliament. You were very well known.

I ask that because when the documents about this contract came out, it wasn't like you were treated as a subcontractor. Baylis Medical was named in all the press releases. It was right up front.

Do you see why these questions need to be asked? It's so we can reassure the public that the contracts that are awarded meet all the ethical standards, so there aren't favours being given to people who are former office holders.

• (1345)

Mr. Frank Baylis: I believe it is the job of the opposition to be vigilant and to monitor these works. This COVID crisis has seen an explosion of expenses and I don't think there's anything wrong with the ethics committee or any other committee investigating things that might have come up.

I'll be honest; it had hit me personally to see my name, these falsehoods being stated and lines being drawn that were not true. Some people were mocking me in the House of Commons. Of course, I'm a human being and I didn't appreciate that, but I tried to stay above and away from it. I have great respect for the whole process and the people involved, so I don't see that there's anything wrong with asking questions.

I do think there is something wrong with casting aspersions, and I think that you have here the people who did it. Really, it would be wrong even to take any credit. It's really Mr. Jamieson who did all this work, and then Mr. Godara, who worked together. Under his guidance and the guidance of Mr. Jamieson—

Mr. Charlie Angus: Fair enough.

I have a very short question. You said you weren't involved in any of the negotiations with government, which I think would have been—

Mr. Frank Baylis: I'll clarify that. I was on one call—

Mr. Charlie Angus: Yes, that one call.... Could you just clarify that for me? That's all I'd need to know. Thank you.

Mr. Frank Baylis: When the crisis hit, my partner and I took a decision. We said we don't want to lay anybody off, but we have 750 people—we have an enormous payroll—so we started taking a lot of actions. Well, there were two people who got laid off. My partner and I actually took our salaries to zero.

We cut expenses such as travel. That turned out to be a moot point because travel was cut for all kinds of reasons anyway. We said no more travel; we used to pay for people to take courses, so we cut courses; we cut matching your RRSPs, so we would say we could keep everybody. We then remortgaged all our buildings, extended our line of credit and put a pile of money to say we're going to get through this thing together, as a team.

Then Mr. Jamieson said that we had to start buying parts in the United States. I said we had some money but we could not risk our company. That money was there to get us through this COVID crisis. We needed an advance. If you want us to go out and start doing all this work, buying the parts.... The parts were going like hotcakes and the prices were exploding. It was a crazy time. We could not use that money, so we needed an advancement—

The Chair: Mr. Baylis, I'm sorry to interrupt you.

Mr. Frank Baylis: I'm sorry.

The Chair: I thought that was an important question and I tried to give you some extra time, but we're almost a full minute over. Maybe you can complete that answer in another round.

Mr. Frank Baylis: Thank you, Chair.

It's just that Mr. Jamieson asked me to get on the phone. He set up the call. I don't know who was on the call. He said, "Explain to them why you need this advancement." That's it. Mr. Godara calculated how much we needed.

Mr. Charlie Angus: Thank you.

The Chair: Thank you very much.

Before we go to the next round—and it will be Mr. Barrett who will begin the next round—I wanted to clear something up, both for the witnesses' reputations and for the committee's.

Mr. Baylis, I'm certain you used the word innocently, but you were invited to the committee. You weren't summoned or subpoenaed—

Mr. Frank Baylis: I apologize.

The Chair: —because we have that capability, and I want to make sure everybody knows that you came willingly. We invited you and you accepted that invitation.

I thought that would be clearer for everyone.

We will now move on to Mr. Barrett for five minutes.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Thanks very much, Chair.

Mr. Baylis and Mr. Jamieson, thanks for joining us today.

My first question is for Mr. Jamieson. Why did you create FTI on the day that the tender was due?

Mr. Rick Jamieson: FTI was actually in the process of being created long before this contract was set. The FTI name was actually going to be used for a brake pad business I was starting. We refer to the top-quality brake pads as "professional grade". FTI stood for Firstline Technology Incorporated, Professional Grade. The company was available, and I used it.

When you start a company with new business, your lawyers and accountants always advise you to use a separate, single-purpose entity. That was the reason the company was incorporated. I wanted a March 31 year-end for the company.

Mr. Michael Barrett: So, the reason was that you were advised to use a new company to engage this contract.

Mr. Rick Jamieson: That's correct.

Mr. Michael Barrett: You provided us the name of one official with whom you communicated. Would you undertake to provide to the committee, in writing following your appearance, the names of other officials from the Government of Canada with whom you have communicated for the purpose of this contract?

• (1350)

Mr. Rick Jamieson: Sure. Everybody I talked to.... I talked to my contract authority, with PSPC. I had two, Jeff Moore and Sandra Leslie, both competent civil servants.

Mr. Michael Barrett: I appreciate that, sir. You expressed some hesitation to go through the names, and that's fine. To give you the opportunity to provide a complete answer, if you're comfortable providing them and sending a list to the clerk or the chair—

Mr. Rick Jamieson: I didn't know I could, so I'm happy to answer your question now if you like.

Mr. Michael Barrett: Okay.

Mr. Rick Jamieson: As I said, my contract managers were Jeff Moore at PSPC, Michelle Mascoll, Joëlle Paquette. At PHAC, I have had really good relationships with the technical authority, Peter Meireles, and the coordinator of the national stockpile, whose name is Pascale St-Louis, all very competent people.

Mr. Michael Barrett: That's terrific.

I have one last question for you before I have a couple of quick questions for Mr. Baylis.

FTI is the only company with no medical experience that obtained a contract. What made FTI different?

Mr. Rick Jamieson: Actually, in terms of medical, I believe the other contracts didn't have medical experience either. There were no contracts....no one making ICU-grade ventilators in Canada.

What we did was a moon shot. We physically did this, as did the other companies, and we've delivered 7,788. You can check to see that. We have delivered by far the most ventilators of anyone bar none.

Mr. Michael Barrett: Thank you for the answer, sir.

Mr. Baylis, with respect to the names that Mr. Jamieson just offered, on hearing them just now, do you know any of those individuals?

Mr. Frank Baylis: Do you mean, have I heard their names before, or do I know them other than hearing their names?

Mr. Michael Barrett: I mean other than hearing their names.

Mr. Frank Baylis: No. I've heard these names before, but I don't know who they are. Mr. Jamieson would tell me if something was fed back. Actually, Mr. Godara would be the one he would be feeding it back to, so I would be getting it. They were the ones working together very tightly, if I can say that.

Mr. Michael Barrett: Okay.

I have two more questions and just a minute to get them, if I could.

One is, has Baylis Medical had other contracts with the Government of Canada?

My other question is to clarify. You said that you didn't advocate—I'm paraphrasing—on your behalf or V4C with ministers or members. Have you communicated with ministers or members during the pandemic? If so, what was the general nature of those conversations?

Mr. Frank Baylis: I prepared a list regarding the government contracts, because I assumed that. In 2011—

Mr. Michael Barrett: Sorry, Mr. Baylis, if you could submit it in writing to the clerk instead of reading it out, that would be fantastic. Then you could answer the last question. I think we just have a couple of seconds left.

Mr. Frank Baylis: Yes. Sure.

I want to point out one thing on these contracts. We had one after I left, and there were two that we had prior. They were both with the government of Prime Minister Harper, the Conservative government.

One was for developing a device, and the other one was a loan. We were opening a new factory, and we got a loan where we didn't have to pay the.... It was really helpful, because we were opening a new factory. With most loans with banks, you have to start repaying the money right away. With this one, we got the money and we were able to then.... We didn't have to start paying back until a certain window of time, and that window of time—

The Chair: Thank you, Mr. Baylis.

You're one of the people who know that time is always our enemy. We have run out of time.

Mr. Michael Barrett: Chair, I appreciate your respecting the committee's time. I just wonder, with respect to those last two questions.... If you find it acceptable, I would like to request that perhaps Mr. Baylis provide a response in writing to the committee, and then we can move on.

The Chair: Yes. It was my understanding, the way Mr. Baylis had nodded, that he was going to do that.

Mr. Frank Baylis: Yes, I will, no problem.

Mr. Michael Barrett: That's with respect to both my questions, conversations and contracts.

Mr. Frank Baylis: I can answer your other question right now, if you want.

The Chair: It would be better in writing, because now I need to go on to the next questioner, Mr. Baylis, if you would, please.

Now we will go on to Mr. Sorbara, for five minutes.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Chair.

Welcome, everyone.

Frank, it's nice to see you today. I know from our conversations that your father was a man of deep faith. I know he was proud before and very proud of you still and is looking down on you and your family today. God bless, and obviously my condolences.

I've listened to this testimony very closely and I've followed along in the last few months in the House of Commons the smear and fishing expedition that some of my honourable colleagues, who have been elected by their voters, have made to you.

Actually, I want to say sorry. I apologize for their doing that. I'm not going to take responsibility, but I do apologize because companies in Canada, from coast to coast to coast, whether it's here in the Woodbridge Group.... Mr. Jamieson, you're part of the auto parts supplier base in Canada, the APMA. What they've done, stepping up and building masks, PPE, you name it.... A lot of companies stood up here in Canada and said, "We will be there."

That's what I want to thank both of you gentlemen for doing, for delivering almost 8,000 ventilators for Canadians who have been impacted by COVID-19, so we could save lives and put in place the health capacity we needed.

You are both entrepreneurs who directly and indirectly employ thousands of Canadians in several provinces, in very well-paying, good-benefit, great middle-class jobs. I thank you and I want to encourage you to continue doing that, because entrepreneurs are at the heart of our economy and businesses are at the heart of our economy.

Mr. Baylis, we know you are a former member of Parliament, one with a lot of integrity, a lot of intelligence and we do miss you.

Mr. Jamieson, just for full disclosure, it's my understanding—and I believe it's in the public record, too—that you have donated to candidates in the past. I just want to get it on the record that, if I'm not mistaken, you have donated to prior Conservative candidates in the past.

● (1355)

Mr. Rick Jamieson: Right, and as I said, it never dawned on me that politics would enter into any of my relationships with any sub-contractors. It's the furthest thing from my mind.

Mr. Francesco Sorbara: Thank you for stating that, because at this moment in time we are at as a country, in battling COVID-19, it is so important for us to stay focused.

Mr. Baylis, my understanding from what the Ethics Commissioner has disclosed is that there are no ongoing.... Have there ever been any ongoing investigations or any correspondence with you?

Mr. Frank Baylis: Mr. Sorbara, thank you for your kind words.

No. I learned when I watched a bit of the committee and he brought up my name. That was the first that I ever knew about his even looking into it. I assume he was hearing things so he looked into it and made his determination.

Mr. Francesco Sorbara: Mr. Jamieson, in my riding, about a kilometre and a half or two kilometres away from here, is the headquarters of Martinrea. They employ 700 workers at an auto parts factory, so I know your business very well.

I'm just curious. Before COVID even broke out, was there any type of relationship between Baylis Medical and you and your companies?

Mr. Rick Jamieson: No, not even close.

Mr. Francesco Sorbara: So, Mr. Baylis has a medical device company that has been around for decades, and you guys came together and brought expertise to make ventilators. Today we have almost 8,000 ventilators to help Canadians from coast to coast to coast.

Mr. Rick Jamieson: Mr. Sorbara, I'll just make one comment on that.

Mr. Francesco Sorbara: Please.

Mr. Rick Jamieson: What actually happened was, and I can tell you this.... It was a phenomenal time we were living in. I could call just about anybody. Normally when you talk to business people, they want an NDA. Nothing happens quickly.

Canadians really were amazing. You'd call someone for help and they'd tell you whether they could or couldn't do it. Often, they'd tell you things that were normally trade secrets, pretty darned quickly, to try to move the projects along.

I would just add that it's a funny thing for me, because it's an unusual thing to hear your name being used in the House of Commons. It was like, "Well, that's amazing." Anyway, it's just a different thing for a small business guy from Guelph, Ontario, an entrepreneur.

Mr. Francesco Sorbara: Well, Guelph is a hub for innovation and we know how important the environment is there. We have a lot of great employers down there and a great MP who represents the riding.

Look. I had the Premier of Ontario in my riding, at the Woodbridge Foam Corporation, congratulating them. Actually, he came and picked up boxes and put them in his pickup truck to deliver—the Premier of Ontario at an auto parts factory here in my riding, an auto parts company just like yours. You've done the same thing that the Woodbridge Foam group did. You stood up for Canadians.

My other colleagues across the aisle might say there is something wrong with that. I don't. I applaud you and I applaud Mr. Baylis for coming together and delivering almost 8,000 ventilators of this contract that was provided.

• (1400)

The Chair: Mr. Sorbara—

Mr. Francesco Sorbara: —and I say thank you for myself and all Canadians.

The Chair: I gave you a little bit of extra time, Mr. Sorbara, but you're well over.

Mr. Francesco Sorbara: Thank you, sir.

The Chair: Now we have Madame Gaudreau, for two and a half minutes.

[*Translation*]

Ms. Marie-Hélène Gaudreau: Thank you, Mr. Chair.

Mr. Baylis, I want to express my condolences. I know what it's like to lose a father.

I want to pick up from where we left off earlier.

There's nothing better in life than taking action to save people's lives. I applaud your actions. That said, in an emergency, there are two ways to take action. For example, to put out a fire, we can either grab a small bucket or quickly plan our response and get the fire under control. In this case, in light of the information available, I have trouble understanding what happened. I'll need your help. Perhaps Mr. Godara can answer the question.

Mr. Godara, when you started working with Mr. Baylis, were you aware of his situation? Did you ask any questions?

As a former member of Parliament, inevitably, certain things will stick with you for a little while. You must be careful.

I'm asking you the question. When people tell us that something looks a certain way, it very quickly discredits the people involved. A government must be exemplary and as neutral as possible, especially in times of crisis. That's where shortcomings will be identified. As you know, in business, before experiencing growth or a decline, we take things into account.

Mr. Godara, I want you to tell us what you knew about Mr. Baylis. Did you ask any questions to understand the differences between the requirements for business and the requirements for public money in your contracts?

[*English*]

Mr. Neil Godara: I can answer that.

The reality is that Rick Jamieson and FTI had approached us to help support the ventilator program, and FTI was the one negotiating with the federal government. They were taking that on, and then we were a subcontractor to FTI. In that relationship, my responsibility was to ask what it was going to take to get the ventilators going—when manufacturing was going to start, when we had to hire people—and put all the calculations, put all the planning together to make them.

We weren't dealing with the government. We were dealing with FTI. We were dealing with our internal teams. That's really what we were focused on at that time, and it wasn't really in the conversation at that time. Mr. Jamieson consulting with the government just wasn't part of our conversation.

The Chair: That's all the time we have.

Now we'll move on to Mr. Angus for three and a half minutes.

[*Translation*]

Ms. Marie-Hélène Gaudreau: I understand all this, but—

[*English*]

The Chair: Madame Gaudreau, your time is up. I'm sorry. I know that two and a half minutes goes very fast.

[*Translation*]

Ms. Marie-Hélène Gaudreau: Okay, thank you.

[*English*]

The Chair: Mr. Angus, you have two and a half minutes.

Mr. Charlie Angus: Thank you.

Thank you, gentlemen, for coming—

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Chair, excuse me. I'm really sorry. I have a point of order.

We've had a couple of requests for written remarks. If it's all right, can we inform the witnesses to please put in writing and submit any further information they think is pertinent to their answers? I know that time is short.

I apologize to Mr. Angus.

The Chair: Yes, absolutely.

Certainly if there is any question you were given that you couldn't finish and that you want to make sure is on record with the committee, please don't hesitate to send that in to the clerk and we'll add that to your remarks.

Now we go to Mr. Angus.

Mr. Charlie Angus: Thank you, Mr. Chair.

Thank you, gentlemen, for coming and updating us on the work on the ventilators. We are very pleased that you've actually managed to keep on track to get these ventilators out, because we are coming into the second wave and it's going to be a frightening time, I think.

Frank, I just have to close on this. I think you'll appreciate it. I really appreciate that my Liberal colleagues have been defending auto plants and small workers and trashing everybody on my side of the hall and asking why we're dragging you through the mud here. Well, Frank, it's the way the negotiations went. I had a big long list of people I wanted to bring and they came to me and said, don't bring Rob Silver. Katie Telford says we don't want him at committee. Why is that?

Then they said, we don't want to deal with the judges issue, the issue of bringing forward the partisan Liberal lists about judges nominations. They said, bring Frank Baylis. I said, that's great; we'll bring Frank Baylis. I think they enjoy you as much as I do, so

when they ask why you're here, I have to say I was just trying to help out my Liberal colleagues. They really wanted you out of those other guys, so I'm going to go back and look at them and say, maybe I should have invited them instead.

Anyway, I hope you guys are doing well and staying safe. Thank you very much.

• (1405)

The Chair: Thank you very much, Mr. Angus.

Mr. Han Dong (Don Valley North, Lib.): Point of order, Chair.

I waited until Mr. Angus finished. I thought it was in the routine proceedings that we discussed and then agreed to that when it comes to discussion of the selection of witnesses, we do that in camera. I know that Mr. Angus just brought up a few names, but that was part of the discussion, I think. I don't know. It sounded to me like it was part of the discussion of witness selection.

I just want to bring this up to you, Chair.

The Chair: Thank you, Mr. Dong.

I believe he was talking about private conversations, not conversations that happened in this committee. That's what I heard.

Mr. Charlie Angus: Yes, I don't believe it was in camera.

I don't think Mr. Dong has a point of order. Every time I speak—Frank, you'd love it—Mr. Dong has a point of order. If you were here, you wouldn't put up with that.

Anyway, thank you so much for coming.

Mr. Han Dong: That's not true, Charlie. I think the reverse is true.

The Chair: All right, colleagues.

Let me thank the witnesses, Mr. Baylis, Mr. Godara and Mr. Jamieson, for taking the time out of their day.

Mr. Jamieson, you mentioned that you have been working 16 hours a day. We greatly appreciate that. That means we've taken a substantial portion of your value from today. I want to thank you for your investment here.

Frank, on behalf of the entire committee, we want to share with you our sympathies and express our condolences to you for the loss of your father. I apologize that I did not begin with that. I certainly wanted to end with that.

Mr. Frank Baylis: Thank you, Chair.

The Chair: Gentlemen, keep up the good work.

We're going to suspend now so that we can get our new witnesses in and start our second half.

• (1405) _____ (Pause) _____

• (1410)

The Chair: Welcome to the second half of our meeting, colleagues.

We have before us now, from the Department of Indigenous Services, Christiane Fox, deputy minister, as well as, from the Department of Finance, Michelle Kovacevic, assistant deputy minister, federal-provincial relations and social policy branch.

Now we will go to the witnesses.

Ms. Fox, you have up to seven minutes for your opening remarks.

Ms. Christiane Fox (Deputy Minister, Department of Indigenous Services): Thank you. I won't take up the seven minutes, but I will deliver a few opening remarks.

I'll start in French and go into English.

[*Translation*]

Thank you, Mr. Chair and committee members for inviting me to appear before the Standing Committee on Access to Information, Privacy and Ethics.

My name is Christiane Fox. I'm the deputy minister of Indigenous Services Canada. I used to be the deputy minister of intergovernmental affairs at the Privy Council Office.

I'll start by providing some context to describe my role in the WE charity youth proposal.

Prior to the last federal election, I was the deputy minister of intergovernmental affairs and youth. I supported the Prime Minister, in his capacity as minister of youth, on key youth files, including Canada's first ever youth policy and the Canada Service Corps program.

Following the election and the appointment of the cabinet, I remained responsible for intergovernmental affairs. However, the youth responsibilities were transferred to Canadian Heritage, as was the youth secretariat.

• (1415)

[*English*]

On April 20, I received a call from WE Charity, as they wanted to discuss their proposals for youth entrepreneurship and a youth service program, given my previous role as deputy minister of youth for the federal government. I agreed to share this proposal with colleagues in various departments and to provide them with feedback based on my experience with the Canada Service Corps.

I received their proposal on April 22. Over the coming days, I shared their proposal with officials and departments. However, I did want to flag with the committee members that I did not have conversations with political staff from the Prime Minister's Office or the Deputy Prime Minister's Office regarding this proposal.

During that week, I was also tracking the progress in the event we would need to share details with provinces and territories, something I did regularly on all COVID-19 support programs on our daily calls with provinces and territories. In the end, the only briefing that took place was on the overall students package announced on April 22.

My next interaction on this file occurred on May 21, when I was asked to join the briefing for the Prime Minister to provide him with insight based on my previous experience with ESDC's Canada service program. I shared at the briefing the following points for consideration. I noted that the single biggest challenge with the Canada Service Corps was ramping up the service opportunities, taking over a year to get to 1,800 opportunities across the country. In this context, I indicated that I did not think it would be feasible to create 20,000 opportunities in four months using the same program. I indicated that using an outside organization that was national in scope, with a strong digital platform and previous experience in youth engagement and service, could be a good option. I noted the importance of having bilingual opportunities. I indicated the focus that would be required to remove barriers to participation for under-represented youth. I indicated that any selected partner should work with other youth-serving agencies to maximize youth participation.

Following this briefing, I realized that I had not shared my feedback directly with WE Charity, as I had been solely focused on my work on the COVID response, working with provinces and territories and supporting the Prime Minister and Deputy Prime Minister on the weekly meetings of first ministers and the regular bilateral engagement that took place with jurisdictions. Therefore, to make sure to convey what I felt were important considerations, on May 22 I spoke to WE Charity and shared my general thoughts on a potential youth service program, as I did at the briefing the previous day.

Mr. Chair, this is the extent of my involvement in this program. I'm happy to take questions from committee members.

[*Translation*]

Thank you.

[*English*]

The Chair: Thank you very much for those opening remarks.

We'll now move on to Ms. Kovacevic for seven minutes.

Ms. Michelle Kovacevic (Assistant Deputy Minister, Federal-Provincial Relations and Social Policy Branch, Department of Finance): Good afternoon.

My name is Michelle Kovacevic. I am the ADM of federal-provincial relations and social policy at Finance Canada.

I don't have opening remarks. I testified on WE Charity in July before the Standing Committee on Finance. My opening remarks from that testimony, and my testimony, of course, are available to members.

[*Translation*]

I'm happy to go ahead and answer any questions you may have.

[*English*]

Thank you.

The Chair: Thank you very much.

We'll move right to the first round.

Mr. Barrett, you have six minutes.

Mr. Michael Barrett: Thank you.

I would like to thank the witnesses for joining us today.

Ms. Fox, what was discussed at your April 20 meeting with WE?

Ms. Christiane Fox: WE Charity gave me a call to tell me they had proposals with respect to a youth entrepreneurship program as well as a service program. It was a fairly brief conversation. They indicated that given my role as the former DM of youth, they were curious to see if I had any time to look at their proposal and to discuss it. They gave a sort of high-level overview of both proposals, and then followed up with an email a couple of days later.

• (1420)

Mr. Michael Barrett: Did you help them focus their proposal during the course of that meeting?

Ms. Christiane Fox: I did not, no.

Mr. Michael Barrett: We understand that WE met with finance officials on that same day. Did you communicate with anyone at Finance about that meeting?

Ms. Christiane Fox: I did follow up with an email to some of my colleagues, but not on the 20th. On the 21st I had an email exchange with Finance, just saying that this had come to my attention, because what I had told WE was that all of the youth secretariat was now found at Canadian Heritage, and that there were a number of departments that may be interested in their proposal given the entrepreneurship angle and the youth service angle.

What I had told WE was that I would share that with colleagues, which I did. On April 21, I did have an exchange with the Department of Finance with respect to the proposal.

Mr. Michael Barrett: Okay, thanks.

It seems, based on the number of meetings they were having, that they had a clear desire to run the CSSG at that point. What was discussed at your April 23 meeting when you briefed the Deputy Prime Minister?

Ms. Christiane Fox: Thank you for the question.

What I did throughout the COVID pandemic, and what I continued to do throughout the summer, was very much focused on.... Every time there was a government program that was rolling out, my responsibility was to make sure that I was sharing the details of that with provinces and territories ahead of public announcements, to

give them a heads-up, to have an exchange about it. There was often follow-up after the fact.

Between the 20th and 23rd, I did a lot of work but I did share it with different departments. On the 22nd, I briefed provinces and territories on the student program announcement, but not in detail on the WE proposal. I thought that perhaps we would need to brief on the WE proposal at some stage, which is why I wanted to stay informed; but in the end, on April 23, ahead of the first ministers' meeting, we did not talk about the WE proposal. Therefore we briefed on the other elements of the first ministers' meeting and not on the WE proposal specifically.

Mr. Michael Barrett: Okay, I'll come back to that.

You were the PM's deputy for youth. Did you have any dealings with the WE organization?

Ms. Christiane Fox: I did. Not a lot, but I did. I had dealings with a number of youth organizations across the country, in part because over my time as deputy minister of youth, we did two, I think, major projects.

One was with respect to the Canada service program. In fact, WE wasn't part of our group of organizations that delivered the program. We had 4-H and the YMCA. There were a number of organizations.

When we launched our youth policy engagement sessions, we worked with a lot of youth organizations. For instance, The Students Commission ran the engagement process, because we really didn't want to have the federal government be the lead on engaging young people. We really wanted to take a different approach.

So I did work with WE. I found out about what they did, how they managed youth engagement. When we launched our youth policy, we organized the youth summit. That would have been in May 2019. We used some of the WE youth facilitators to manage the breakout sessions of our youth discussion points on the key elements of the policy. There were WE staff who were engaged to come. I did visit their global learning centre at one stage when I visited Toronto. I visited with a number of youth organizations, and that was one I visited at the time.

Mr. Michael Barrett: Did you discuss WE or their projects with anyone in the Prime Minister's Office?

My second question is, were you aware of the ties between members of the Trudeau family and the WE organization, specifically speaking jobs?

Ms. Christiane Fox: In the end, I did not brief members of the Prime Minister's Office or the Deputy Prime Minister's Office on the WE proposal.

In terms of their relationship, I think the WE organization has a number of relationships with figures across the country, including political staff. No, I did not know the details of those relationships in my role as deputy minister of youth.

• (1425)

Mr. Michael Barrett: Thanks very much.

Ms. Kovacevic, in a May 7 email thread between you and Ms. Wernick, you were discussing increasing costs for WE to administer the CSSG. You described the rising costs by saying, “Money. Meh. No problem”. I have to ask if that was the culture or the train of thought with respect to pandemic spending.

Ms. Michelle Kovacevic: First, that was absolutely not and continues not to be at all anybody's thinking with respect to pandemic spending. The “money meh” comment you mentioned was literally—my emails are all public, and you know I'm very casual and colloquial in my speech—a joke between peers.

I might emphasize as well that in my colleague Rachel's email to me when she talks about a distribution change, it is still within the \$900 million approved by the minister and the Prime Minister in the set-aside from the April 22 announcement. In fact, there was no more money at all. What she was talking to me about was entirely in scope within that \$900 million.

Mr. Michael Barrett: That is a remarkable sum of money.

The Chair: We're quite over time, but I felt you needed the opportunity to answer that question.

Now we'll move on. The next questioner will be Madame Lattanzio for six minutes.

Ms. Patricia Lattanzio (Saint-Léonard—Saint-Michel, Lib.): Thank you, Mr. Chair.

I'll start with a few questions for Ms. Fox.

Ms. Fox, there has been a lot of conjecture from the opposition, both from members who have served in government previously and those who have not. A lot of the questions seem to revolve around the phrase “a normal practice” or “Is this how decisions are typically made?” However, I think my colleagues forget that back in March through May, we were not operating as per usual times or as business as usual or commonplace.

Can you enlighten this committee about how there was nothing normal or commonplace in how the government had to operate during the pandemic lockdown?

Ms. Christiane Fox: I can definitely speak to my experience working as the deputy minister of intergovernmental affairs during that period of time. It was extremely intense. I've been in government since 2002, and I probably have never lived something as intense as I did during that time.

We needed to be responsive to the very real health and security issues the country was facing. We were definitely trying to respond in real time, and in my role as deputy minister of intergovernmental affairs what I took extremely seriously was the important communication flow between myself and my colleagues in provinces and territories.

For months on end, every single day we held calls. They were not easy calls at times, and they were filled with challenges. We had to be creative and solution-oriented and had to work within departments across the federal government but also with our provincial colleagues, who had the same realities across their provincial or territorial departments.

It was extremely intense. I think we went seven days a week for months. When the summer months started picking up, we did see a bit of fall in the case count; however, we then began negotiating the safe restart agreement with provinces and territories, which kind of created its own intense negotiations and work.

Now I would say at Indigenous Services Canada, the team is being responsive and nimble to respond to the cases we are seeing in first nations across this country and in Inuit communities as well. I would agree it was pretty unprecedented times, and it took a lot of dedication and hard work to get through very difficult issues.

Ms. Patricia Lattanzio: To continue in terms communicating with the public and various stakeholders, was it not ordinary for stakeholders to contact you to seek a meeting or to pitch potential programs in the middle of a pandemic?

• (1430)

Ms. Christiane Fox: Yes, absolutely. Different stakeholders were contacting us for various reasons. It could be because there was an offer to help or it could be because they had a particular issue within their sector, industry or company. There was a lot of outreach and a lot of two-way engagement between public servants and outside organizations to be able to come up with solutions to these very real issues the country was facing.

Ms. Patricia Lattanzio: Would you say that WE Charity was one of those?

Ms. Christiane Fox: Yes, I think they contacted me because of their proposal, because of my experience with the Canada Service Corps and because of the importance of youth service and what youth were facing in the middle of a pandemic. How could we be creative in that moment to be able to give opportunities?

I had worked a lot on the Canada service program. I knew a lot about how the pilots had gone in various parts of the country using different organizations. Although I can't speak to their motivations, I think that was part of our role, to try to find solutions and come up with innovative ways to respond to the COVID challenges.

Ms. Patricia Lattanzio: Thank you.

My next questions are for Ms. Kovacevic.

Ms. Kovacevic, consultation with stakeholders, including their “lobbying” with government, often has a negative connotation. However, if you were not able to consult stakeholders, or stakeholders were not able to talk to the government, what would this mean for the policy development process? Some might conclude that it would just be stagnant. What are your thoughts on that?

Ms. Michelle Kovacevic: I can't speculate and speak for other departments and their experiences, but I can tell you that in normal times—and even in COVID times—when elucidating a new program or a new policy, it is very normal that there are a number of perspectives brought into consideration. That includes research that perhaps the Department of Finance will do or the department will do. That will be opinions of a minister's office and exempt staff. That will be people from the outside, such as leaders in thought.

Quite frankly, all of those are brought in to bear. However, the advice we will decide on—certainly when I myself send something up the line to my deputy and my minister—takes all that into account, and the advice I give is my advice.

Ms. Patricia Lattanzio: We're going to pursue that in terms of advice.

Had there been a Conservative government or an NDP government earlier this year, with the idea of a student service grant in the way it was presented, would you have taken the same position and the same approach as you did with the current government?

Ms. Michelle Kovacevic: I can't speculate on other governments, but certainly the actions that I and my team would have taken in terms of considerations, policy, a financing decision, what makes sense, what the needs of Canadians are, whether there is a vehicle to deliver it and how much it would cost would be exactly the same irrespective of government.

Ms. Patricia Lattanzio: So your answer is, your recommendation—

The Chair: Thank you very much, Madame Lattanzio. That's all the time we have.

Ms. Patricia Lattanzio: Thank you.

The Chair: We'll now move on to Madame Gaudreau.

[Translation]

You have six minutes.

Ms. Marie-Hélène Gaudreau: Good afternoon. I'm very happy to have you here.

I have only six minutes, yet I have many questions to ask you.

Ms. Kovacevic, I reviewed the meeting that I attended on July 22. You said that you give advice. I remember that we spoke a great deal about advice. For example, we wanted to know whether the registry of lobbyists had been checked or whether it was possible to ensure that there was no apparent conflict of interest between the government and an organization with which it would work.

Do you provide this type of advice to ministers and the Prime Minister?

Ms. Michelle Kovacevic: Thank you for your question. I'm sorry, but I'll answer it in English.

Ms. Marie-Hélène Gaudreau: That's fine.

[English]

Ms. Michelle Kovacevic: With respect to whether I provided any advice with respect to lobbying to my minister, the answer is no. I believe it is the public office holder's duty to address that and not my duty. Also, with respect to anything else relating to lobbying, again, it is the public office holder's responsibility to address that, and perhaps their office, not mine.

• (1435)

[Translation]

Ms. Marie-Hélène Gaudreau: Okay.

My next question is for Ms. Fox.

You said earlier that you contacted WE on April 20. Unless I'm mistaken, I don't think that I heard the name of the person whom you spoke to.

Which WE representative did you speak to on April 20?

Ms. Christiane Fox: I can confirm that I spoke to Craig Kielburger and Sofia Marquez.

Ms. Marie-Hélène Gaudreau: Are you responsible for verifying who Sofia Marquez is and whether she's listed in the registry of lobbyists?

Ms. Christiane Fox: No. It isn't our role to verify these things. As my colleague Ms. Kovacevic said, it's really their role.

Ms. Marie-Hélène Gaudreau: That's fine.

I have another question for you, Ms. Fox.

Earlier, I had a hard time understanding the nature of your communication on April 20. You had already been in contact. You were already familiar with the organization.

What was the specific situation?

Ms. Christiane Fox: Yes, I was familiar with the organization because of my role as deputy minister of youth. However, on April 20, the organization representatives called me and told me that they had two proposals in mind. The first proposal involved an entrepreneurial innovation program, and the second proposal concerned a Canada Service Corps program. They just wanted to let me know that they were working on a proposal; that they had spoken to other departments; and that they wanted to send me a copy of their proposal, for information purposes.

Ms. Marie-Hélène Gaudreau: Have they asked you whether the proposal could be robust enough in a context that may involve pandemic-related needs? We saw earlier that people have reacted well when it comes to saving people's lives. Did they question you to find out what could happen?

Ms. Christiane Fox: I think they had already determined that the need existed and that something must be done for young people. They had already prepared a proposal for the Canada Service Corps program. In that context, we had the conversation because they knew I had worked for the program and had some experience. So they thought I may have ideas to share with them.

Ms. Marie-Hélène Gaudreau: Okay, that can be assumed, but did you know that Sophie Grégoire and Justin Trudeau had very close ties to the organization?

Ms. Christiane Fox: All I can tell you is that the organization clearly has a relationship with many Canadians, including a number of politicians. I did not have any details on the organization's personal relationships. I had details on the organization and its presence among young people. I was somewhat familiar with the work it had done and its engagement program. That is really what I was looking at, especially in the context of our youth policy. The organization was very well known after all. In fact, that organization is present in all schools and has numerous impacts across the country.

Ms. Marie-Hélène Gaudreau: As I still have a bit of time left, I will put the next question to Ms. Kovacevic.

Concerning the assessment of WE Charity's capacity, I would like to know what your role is and what kind of precautions you must take in a contribution agreement. What rules must be followed in terms of vigilance and reports before a contract is awarded?

[English]

Ms. Michelle Kovacevic: Thanks for the question.

I should be clear that the Department of Finance and I certainly had nothing to do with the actual contribution agreement. We have something to do with the funding decision up front—a \$900-million provision—for which the ESDC minister had to return to the cabinet.

With respect to your question about what the rules are for any contribution agreement, there are very clear guidelines and policies set by the Treasury Board Secretariat on grants and contributions and on everything that needs to be followed. I trust that my colleagues at ESDC would have been abiding by those policies for all of us.

• (1440)

[Translation]

Ms. Marie-Hélène Gaudreau: Do the rules specify the extent of services to be provided to organizations? Is it specified that this must be done from coast to coast to coast, so including in French? The organization also did not have an office in Quebec.

[English]

Ms. Michelle Kovacevic: That is probably not something that would be in the guiding Gs and Cs policies. That would be something to probably ask whoever put the contribution agreement together.

[Translation]

The Chair: Thank you very much.

[English]

That's all the time we have, Madame Gaudreau.

Now we'll go on to Mr. Angus for six minutes.

[Translation]

Ms. Marie-Hélène Gaudreau: Thank you.

[English]

Mr. Charlie Angus: Thank you so much, Ms. Fox and Ms. Kovacevic, for coming today.

I want to ask Ms. Kovacevic about April 10, when Craig Kielburger wrote personally to Bill Morneau. He writes, "Hi Bill, I hope this finds you, Nancy, Henry, Clare, Edward, and Grace enjoying some well-deserved downtime". Then he pitches his \$12-million project.

He pitches it directly to the minister, and then 11 days later it gets approved. Isn't that an extraordinarily short time to approve a project of this nature?

Ms. Michelle Kovacevic: Is that for me, sir?

Mr. Charlie Angus: Yes.

Ms. Michelle Kovacevic: All right. Starting from the top, I was only made aware of Mr. Kielburger's email to the minister when all the emails were revealed as part of our commitment to the Standing Committee on Finance.

In terms of when the proposal was approved, I would remind committee members that on the date of the announcement of the student package—the \$9 billion, of which this \$900-million Canada student service grant was a part—there was no approval by the Prime Minister or the Minister of Finance for anything related to WE. The approval was strictly setting aside \$900 million, a high-level announcement and a direction to the minister responsible at ESDC to return with a proposal.

Mr. Charlie Angus: Okay.

Ms. Michelle Kovacevic: That's all I can speak to.

Mr. Charlie Angus: That's interesting, because on April 21, in the finance minister's annex 4, under the headline "Minister of Finance Decision", Bill Morneau allocates \$900 million for the CSSG, but also \$12 million. It says, "In addition, the Minister decided to provide up to \$12 million to Employment and Social Development Canada to support the WE Social Entrepreneurship...."

So how is it you didn't know that Minister Morneau had just approved \$12 million? This is 11 days that this project is on his desk to being actually in a government binder. That's a really, really short turnaround time, don't you think?

Ms. Michelle Kovacevic: Let me correct the record. The Minister of Finance verbally approved what I just mentioned, the \$900-million set-aside and the direction for the ESDC minister return. He did not approve anything related to WE, and neither did the Prime Minister at this juncture.

This paper that you're looking at in annex 4 was what we in the department had put together, which he never signed. We only received a verbal approval on the first two things.

Mr. Charlie Angus: Yes, I saw that. It says, "Annex 4...he didn't sign...[but he] wrote OK." Is that how business is done? I see that the \$912 million is referenced by the Prime Minister. They don't just refer to \$900 million. They refer to \$912 million.

I ask this question because this social entrepreneurship program had nothing to do with the pandemic. It may have been a crisis financing for the Kielburger operation, but the social entrepreneurship was not a response to the pandemic. The fact that in his binder he signed off on this issue I find is really extraordinary, because you yourself referred to Minister Morneau's relationship with the Kielburgers as "besties". It seems to me that something was going wrong here when \$912 million was listed as having been approved.

Was it approved verbally only? How is that credible?

Ms. Michelle Kovacevic: There are two things there.

I certainly did not characterize Minister Morneau's relationship with the Kielburgers as "besties". I'm happy to speak to that email, if you like, but that is absolutely not what I said.

Again, I iterate that Minister Morneau and the Prime Minister, in advance of the April 26 announcement, did not sign off on anything related to WE. I can tell you, sir, that in my briefing to Minister Morneau on the 21st, where he verbally agreed on the \$900 million and he verbally agreed on the ESDC minister to return, I, because we had attached the \$12-million proposal to the briefing note without any information, had raised the spectre that if we want to get out fast, this organization might be able to have some immediate placements, while the minister of ESDC takes a few more days and weeks to conceive a design and return to cabinet.

The minister did not agree to it at that point in time—

• (1445)

Mr. Charlie Angus: Okay, but the minister was the one who received it. He received it from Craig Kielburger, someone who hired his daughter, someone who had flown him around the world, and it's listed in there that he approved it.

I'm concerned, because on April 17, Minister Chagger meets with Craig Kielburger and Sofia Marquez. They are briefed at that time about the details. Minister Chagger says they aren't, but according to Sofia Marquez's notes, they were given some key details.

My concern is that because they had such a close relationship, maybe other organizations were not considered. For example, the very next day you tell your colleagues not to call Shopify because ESDC has "a better way". Well, that's the day after the meeting with Craig Kielburger.

On April 19, Ms. Wernick sends an urgent email to Craig Kielburger. Then she debriefs her department. That Monday— within three days—there's already a meeting with the Kielburgers on the Kielburger plan and nobody else. Shopify is not involved. YMCA is not involved. All the names that we've heard are not involved. It is only, from that moment on, the Kielburgers.

I'm not blaming you. I just think that, in the desire to satisfy a government that was so close to the Kielburgers, other decisions weren't checked out—for example, Shopify. Why were they dropped?

Ms. Michelle Kovacevic: I would say, sir, once again, that the \$912 million you referenced was a mistake in the communications background. It is still \$900 million. No WE proposal was approved by the Prime Minister or the Minister of Finance at that point.

With respect to why there are no other organizations, including Shopify... You will see that it's very fluid in my emails over a period of 10 days. In fact, we went through many potential organizations as we were trying to land both a design and the potential delivery partner, including—

Mr. Charlie Angus: None of them were spoken to. Nobody was spoken to, only the Kielburgers.

The Chair: We've run out of time on that round and need to move to the second round now.

This is a five-minute round.

Mr. Poilievre, go ahead.

Hon. Pierre Poilievre (Carleton, CPC): Thank you very much, Mr. Chair.

To start with, my question is for Ms. Fox.

Was the Deputy Prime Minister ever briefed on the proposed Canada student service grant and the awarding of that project to WE Charity?

Ms. Christiane Fox: She was not briefed by me, no.

Hon. Pierre Poilievre: All right.

How is it possible that there are numerous points of evidentiary confirmation that she was briefed, in the earlier package we received, including an email from Mr. Kielburger that says you were planning to brief the Deputy Prime Minister?

Ms. Christiane Fox: I can't speak to emails I didn't draft.

What I can say is that my role was to be prepared to brief on everything and anything during the COVID period. At times we got through a number of files, and at times we didn't. I would always prepare, in the event this proposal were to move fast, to be knowledgeable enough to be able to brief; but in the end, we did not brief on this particular proposal.

Hon. Pierre Poilievre: You do confirm that in the package of documents the committee received on this scandal there are two references to a briefing to the Deputy Prime Minister. One email indicates the briefing would have happened on April 23 by the deputy minister of intergovernmental affairs, which I presume is you; and second, there was an April 20 email you authored that suggested that WE Charity was working with the offices of the Prime Minister and the Deputy Prime Minister.

How could those documentary proof points suggest there was a briefing of the Deputy Prime Minister if in fact it didn't happen?

Ms. Christiane Fox: Thank you for the question.

I think I always had to be prepared and therefore I always had to indicate and be ready to brief her on anything, because things moved extremely quickly. I always wanted to make sure that the Deputy Prime Minister and the Prime Minister were prepared for any engagement they would have with the premier. Therefore, on any package that went forward from the federal government, I really took it to heart to be prepared—

• (1450)

Hon. Pierre Poilievre: Yes, all right, so you—

Ms. Christiane Fox: In the end, I did not—

Hon. Pierre Poilievre: If I could, you've gone way over and you're way off the question. The question was whether or not she was briefed. You're now claiming she wasn't, even though there's documentary evidence she was. Maybe that riddle will solve itself at some point, but you have not explained how it came to be in the first place.

I will move on to Ms. Kovacevic.

Was the \$900-million grant to WE Charity approved by the Treasury Board?

Ms. Michelle Kovacevic: I don't believe it got to the Treasury Board stage. We certainly had a funding decision, so the Minister of Finance and the.... The next phase, of course, would be for the ESDC minister to develop a contribution agreement, and that's what goes to the Treasury Board.

Hon. Pierre Poilievre: Of course, but there was a contribution agreement. It was signed by the government and the money was transacted to WE Charity, all of which would have required Treasury Board approval, as you just correctly pointed out.

Was there approval by the Treasury Board before the money went out, yes or no?

Ms. Michelle Kovacevic: I'm not sure; I would have to confirm. However, it sounds like it must in fact have been the case.

Hon. Pierre Poilievre: It must have been the case that the Treasury Board would have signed off on this.

Are you aware that Treasury Board officials reviewed the proposal and came to the conclusion that there was no evidence that... I'm quoting here: "ESD [the department that negotiated this contribution agreement] has not provided evidence to suggest that WE Charities possess the capacity to undertake this work."

Are you aware of that?

Ms. Michelle Kovacevic: I am aware of it because I've been reading it in all the documents that were produced for FINA, so I am aware of it now.

Hon. Pierre Poilievre: Okay, but would you not have asked whether or not Treasury Board had done due diligence to find out if WE Charity could deliver this program before you worked towards this grant?

Ms. Michelle Kovacevic: I believe the Treasury Board Secretariat and ESDC were asking the right questions that needed to be asked prior to giving their advice.

Hon. Pierre Poilievre: I understand that, but it turns out that Treasury Board officials say that WE Charity wasn't even capable of delivering this program, or at least there was no evidence that it could. Did you know that?

Ms. Michelle Kovacevic: I did not know that at the time.

Hon. Pierre Poilievre: Right, okay, but you and other members of the government have claimed that only WE Charity could do this. Now we find out from the Treasury Board officials that, in fact, WE Charity could not deliver this program. It sounds to me like your decision to move forward with this was not based on due diligence but on the relationship, the cozy relationship, between your minister and this organization.

You said in an email on May 7, "WE [Charity] is connecting with my [minister's office] (they are all besties)." "Besties", I presume, means best friends.

You were aware that WE Charity was best friends—

The Chair: Mr. Poilievre, we're over time.

With the magnitude of this question, I'm going to give—

Hon. Pierre Poilievre: I'll wrap up in three seconds.

You were aware that the minister's office was "besties" with WE Charity, but you went ahead. That's why you went ahead to give this money, even though Treasury Board said WE Charity—

Mrs. Brenda Shanahan: Chair, I'm sorry, but on a point order, that's more than three seconds.

The Chair: Thank you, Madame Shanahan. I was about to speak at the same time you were.

Ms. Kovacevic, because of the magnitude of this question, I'll allow you to answer.

Ms. Michelle Kovacevic: Thank you.

Mr. Poilievre, with respect to the Treasury Board Secretariat and their interpretation, assumptions and whatever, I think it's best, obviously, that I should not speculate. You should ask TBS.

With respect to my email that you referenced, I would like to explain to the committee that, as I've said previously, my language is very casual. At this point in time, I am aware, as is in my previous testimony, that my minister's office had engaged with WE Charity. I am casually calling them "besties", referencing simply that there is engagement with the charity.

The Chair: Thank you very much.

We'll now move on to Mr. Dong for five minutes.

Mr. Han Dong: Thank you, Mr. Chair.

First of all, I want to thank those public servants for accepting our invitation and being here at the committee answering some important questions.

I will go to Ms. Kovacevic.

Ms. Kovacevic, how many times have you appeared before a parliamentary committee?

• (1455)

Ms. Michelle Kovacevic: Do you mean in my career?

Mr. Han Dong: No, I mean in responding to the recent matter with regard to WE Charity.

Ms. Michelle Kovacevic: This is the second time, sir.

Mr. Han Dong: In those times, have you ever failed to tell the truth?

Ms. Michelle Kovacevic: No, sir. I always tell the truth.

Mr. Han Dong: Great.

Have you ever knowingly misrepresented facts?

Ms. Michelle Kovacevic: Certainly not intentionally.

Mr. Han Dong: Have you ever been uncooperative or have you ever obstructed the proceedings of a committee?

Ms. Michelle Kovacevic: Never.

Mr. Han Dong: Let's switch gears a bit.

Prior to April 22, when the Prime Minister announced the CSSG program, how many conversations had you had with representatives of WE?

Ms. Michelle Kovacevic: I had one conversation, a phone conversation, on April 24, between me, my colleague at ESDC, Mr. Kielburger and Sofia Marquez.

Mr. Han Dong: Great.

Prior to the April 22 announcement, how many different proposals did WE Charity send to you on the student program?

Ms. Michelle Kovacevic: To me directly, there were none. I only obtained proposals from either ESDC or my minister's office.

Mr. Han Dong: Great.

How many times did either the minister or his staff instruct you to choose WE Charity for the administration of the CSSG program?

Ms. Michelle Kovacevic: Nobody at any time instructed me to do any choosing of a charity. We carefully and thoughtfully came to the decision in the end that WE Charity was the best-placed organi-

zation to deliver—in COVID times, in the very, very tight time frame—what the ambitious scope of desire was.

Mr. Han Dong: I know my colleagues on the other side may be a bit confused on this point, so I want to clarify for the record. Did officials at ESDC make the recommendations to Minister Chagger that the government enter into a contribution agreement with WE Charity?

Ms. Michelle Kovacevic: That is a question for ESDC, but yes, I do know that is the case.

Mr. Han Dong: Thank you.

Now I will move on to Ms. Fox.

Ms. Fox, I'm just following up on some previous questions. Who would know better if you debriefed the Deputy Prime Minister, you or the Kielburgers?

Ms. Christiane Fox: I would know better.

Mr. Han Dong: Thank you.

Ms. Fox, is it out of the ordinary for stakeholders to contact you unsolicited to seek a meeting or to pitch potential programs?

Ms. Christiane Fox: No, it's not out of the ordinary.

Mr. Han Dong: Is it odd for a deputy minister who is no longer responsible for a file to be consulted by the new DM or officials?

Ms. Christiane Fox: No, it's not odd. I've worked with them in the past. I had extensive knowledge of the Canada Service Corps. As a public servant, I try to be helpful. If that means connecting people with the right people in government, then that's something I try to do.

Mr. Han Dong: Overall you were responsible for the youth file for how long?

Ms. Christiane Fox: I was appointed deputy minister of youth in 2017, both for youth and intergovernmental affairs. From 2017 to 2019, I had both portfolios. Following the election of 2019, I only kept the intergovernmental affairs portfolio.

Mr. Han Dong: Is it safe to say that you had a long-standing relationship with youth stakeholders?

Ms. Christiane Fox: Yes, a number of them.

Mr. Han Dong: It wouldn't be out of the ordinary for a public servant to have contact and a professional rapport with stakeholders that they deal with on a regular basis.

Ms. Christiane Fox: No. In fact, I think it is helpful to engage directly. As deputy minister of youth, not only did I engage with youth-serving organizations, but I engaged directly with youth to try to really inform the work that we did in government. That meant working with several organizations.

For instance, I worked with Right to Play and I went up to Attawapiskat to run basketball clinics for youth to be able to connect with them in a very different way than I would in an Ottawa boardroom. I took that to heart as deputy minister of youth.

• (1500)

Mr. Han Dong: Thank you.

I will ask the same question I asked Ms. Kovacevic.

Who recommended that the government enter into a contribution agreement with WE Charity?

Ms. Christiane Fox: Nobody made that recommendation to me. I think ESDC was responsible for the program, and they would have made the recommendation to their minister. I was not involved in that.

Mr. Han Dong: Thank you very much.

Chair, those are all my questions.

The Chair: Thank you very much, Mr. Dong.

Now we have these two very quick rounds coming up. That will be the end. We're at three o'clock right now, but we did start a little late.

Madame Gaudreau, you have two and half minutes.

[*Translation*]

Ms. Marie-Hélène Gaudreau: Thank you, Mr. Chair.

My question is very simple and it's for the two of you.

Let's keep in mind that the commissioner will publish his report over the next few weeks. It is being said that the report will be published in the next year, but it will happen in the next few weeks. I also understand from all your comments how quickly things are moving. Sometimes a piece of information is available, and sometimes it is not. Through all this, the main issue, as we all know, is to avoid the appearance of conflict of interest.

A lot of time is currently being spent discussing this whole issue, but, at the end of the day, no grants have been awarded. I suspect that some things may have been done to prevent this situation. So this agreement with our young people could have come through.

I know that I am asking you a lot. However, based on your expertise, on what you have experienced on the inside and on what you are experiencing now that you have new information, can you tell us what your main recommendations would be for this type of a situation never to happen again? There will be other crises.

You each have 45 seconds to answer. I will let you choose who will answer first.

Ms. Fox, do you want to begin?

Ms. Christiane Fox: Yes, I can go first.

During our career, it is always important to take a bit of a step back, to look at best practices and to continue to learn. As public servants, we all have the responsibility to learn and to improve our work. Certain moments are conducive to that, and the pandemic is an excellent moment for it.

That said, I feel it is difficult to make recommendations in 45 seconds. What I can tell the committee today is that people are working hard, they are working well and they are dedicated, especially during a pandemic. I am proud of my entire team.

Once the pandemic is over, it will be important to take something of a step back to see what we can improve. However, it is very difficult for us to make recommendations at this time, while we are still managing the crisis.

Ms. Marie-Hélène Gaudreau: I think that kind of a report would be useful to parliamentarians and to committees, in case of another crisis.

Ms. Kovacevic, do you have any recommendations to make?

[*English*]

The Chair: Answer very briefly.

Ms. Michelle Kovacevic: Thank you.

I can only answer that question with respect to my roles and responsibilities in finance. The contribution agreement is the department of ESDC. The Department of Finance has nothing to do with that, and was only involved insofar as the funding agreement and the authority, obviously, that followed. I agree with my colleague, Deputy Fox, that there are always things to learn when you look back.

Having lived through the last eight months or so and delivering so many services so rapidly to Canadians in this unprecedented time, my sense is that speed is always an issue. There was a need to get things out the door quickly. Government and bureaucracies, I think, notoriously, are very dutiful and sometimes perceived to be quite slow.

We went through all the processes. We obeyed them all. We took no shortcuts, but we did them all very quickly. I think when you do things fast, sometimes you would be better off to maybe take a little more time to think about things. We didn't have that luxury when so many people were in need.

In the case of the CSSG—

The Chair: Thank you, Ms. Kovacevic.

[*Translation*]

Ms. Marie-Hélène Gaudreau: I understand, but there are no grants right now.

[*English*]

The Chair: I apologize. I did give extra time there, but we're way over.

Mr. Angus, go ahead.

• (1505)

Mr. Charlie Angus: Thank you both for participating.

Thank you, Deputy Minister Fox, for going to Attawapiskat. I really appreciate that.

Ms. Kovacevic, thank you for being casual in emails. It's nice to see people who actually talk like human beings. I hope your superiors aren't upset that you were just as frank in your conversation. I think it's important.

The Liberals pitched to us that it always came up from the civil service, but the documents show us that this came from the top down. Bill Morneau gets an email from Craig Kielburger for \$12 million and he gives his approval. It wasn't a mistake that it was on that list. It was overturned, finally, by Katie Telford. The PCO said they did not want this to go ahead, but Bill Morneau did want it to go ahead.

Just to wrap up here, because the Kielburgers were so tied to the Prime Minister, to Minister Chagger and to Minister Bill Morneau, I think the die was cast from the beginning.

They make lots of claims, those Kielburger boys. They are very slick. When they said that they could get 10,000 students, it must have sounded great, but I think due diligence would have asked the question, "Can they do this?" They claim they had Imagine Canada as a partner. Imagine Canada looked at this and said that it was not doable. They did not want to be part of it.

Even in June, Imagine Canada was still on the government documents as one of the partners, when they weren't. They said they could deliver for francophones. Only 7% of the people who signed up were francophone, and only 4% were from Quebec. That breached the Treasury Board guidelines.

I put it to you.... I am not blaming you. This was coming from Bill Morneau. This was coming from Minister Chagger's office, and everyone knew the Prime Minister was so tied to the Kielburgers that it put your department in an impossible situation. Decisions were made. If we had done due diligence, this scheme would never have gotten off the ground.

Ms. Michelle Kovacevic: Was that for me, sir?

Mr. Charlie Angus: That is for you.

Ms. Michelle Kovacevic: What is the exact question? Pardon me.

Mr. Charlie Angus: Don't you think that if you had double-checked on Imagine Canada and the fact that they walked out on this, it would have raised alarm bells? The Kielburgers, having fired all their staff in March, were not capable of taking 10,000 of the cohort. They didn't have the partners to do it. They couldn't do it in Quebec and they couldn't do it with francophones.

If you had done more due diligence, maybe those issues would have been raised and you would not be speaking to our committee right now.

Ms. Michelle Kovacevic: Thanks for that.

That may well be the case, sir. I think that question is probably directed at ESDC, who were the ones building the contribution agreement with WE Charity. That was not the Department of Finance.

I would also state that in your earlier chronology, yet again, Minister Morneau did not approve the \$12 million for WE. I was never

aware of correspondence between Mr. Kielburger and Minister Morneau until August, when email records were made public.

Mr. Charlie Angus: But it's in annex 4. It says the minister has approved \$12 million to Employment and Social Development Canada. That's April 21. It's in the finance minister's documents that he approved.

The Chair: That's all the time we have.

Colleagues, I have two more people on the speakers list: Monsieur Gourde, who hasn't had a chance to ask any questions, and Madame Shanahan. Do both of you want to ask questions?

[*Translation*]

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): If possible, yes.

[*English*]

The Chair: Is there consent by the committee to go over time to do that?

I see consent.

We'll go to Monsieur Gourde first for five minutes, and then to Madame Shanahan for five minutes.

Monsieur Gourde, go ahead.

[*Translation*]

Mr. Jacques Gourde: Thank you very much, Mr. Chair.

I have a question for Ms. Fox.

The Clerk of the Privy Council already told us, in August, that a meeting was held with many stakeholders, and many ideas were exchanged there on this student grant.

Did you participate in that brainstorming session, Ms. Fox?

Ms. Christiane Fox: No, I did not participate in that meeting.

Mr. Jacques Gourde: Okay.

The Clerk of the Privy Council also told us that the Kielburgers or other representatives of WE Charity participated in that meeting. They were invited by the Privy Council and by certain departments because of their expertise.

Did you know they had participated in that meeting?

Ms. Christiane Fox: Are you asking whether I knew the Kielburgers participated in a meeting with the Privy Council this year?

Mr. Jacques Gourde: Yes. We were told that the Kielburgers or other representatives of WE Charity participated in that brainstorming meeting to share their ideas before the program was even launched.

● (1510)

Ms. Christiane Fox: No, I'm not aware of that meeting, and I did not participate in it.

Mr. Jacques Gourde: Okay.

Ms. Fox, based on your experience and your knowledge of the organization, do you think WE Charity had the capacity to fully implement this \$900-million program?

Ms. Christiane Fox: I have not reviewed their proposal in detail. I received an initial version of it and read the document, but I did not go into the details.

What I can share is the advice I gave the Prime Minister. I know that it was a matter of figuring out whether the department should have done the work or whether that organization was best suited to do it. In my experience, among our biggest challenges were building the program and recruiting participants. It took us a lot of time to get to about 1,800 pilot projects. So my advice was based on that experience. I mentioned that it was a challenge to recruit students or young participants to immerse themselves in a long-term service program.

So what I advised the Prime Minister was that the organization in question should have national level activities, an active digital platform and already well established experience in youth engagement. Since too short of a timeline did not allow us to start the work from scratch, we really had to have an organization that was already in place and had experience in youth engagement.

Mr. Jacques Gourde: So, Ms. Fox, when the Prime Minister said to the media that he received advice from senior officials before selecting WE Charity to implement the program, that advice must not have come from you, as you seem to be saying that the organization had shortcomings in that respect.

Ms. Christiane Fox: No, I did not say that it had shortcomings. I said that we needed a national program with youth engagement and digital platforms. That is what I advised the Prime Minister. He also received advice from other senior officials. That said, my advice was really based on my experience related to the Canada Service Corps program. I noted that a national organization such as WE Charity was an option to consider going forward. That was really based on my experience, and not on any details of WE Charity's proposal.

Mr. Jacques Gourde: Thank you, Ms. Fox. So that was an option, and not necessarily your decision.

My last question is for Ms. Kovacevic.

Do you know whether WE Charity received money at the outset to at least launch the program's administrative component?

[*English*]

Ms. Michelle Kovacevic: I am aware of it now, but those are details that are uniquely in the remit of ESDC. That has nothing to do with me.

[*Translation*]

Mr. Jacques Gourde: Do you know how much money it was?

[*English*]

Ms. Michelle Kovacevic: I cannot speculate, nor remember. You'd have to ask ESDC.

[*Translation*]

Mr. Jacques Gourde: Okay.

Thank you very much.

I'm finished, Mr. Chair.

[*English*]

The Chair: Thank you very much, Monsieur Gourde.

Now we go to Madame Shanahan for five minutes.

Mrs. Brenda Shanahan: Thank you very much, Chair.

Before I ask the witnesses my questions, I just want to correct the record regarding the Treasury Board approval.

We had testimony at OGGO, the government operations committee, from Kathleen Owens, the assistant comptroller general, who said:

In the case of the WE contribution, ESDC officials did consult TBS to determine whether the Canada student grant program could be delivered under the minister's existing authorities, or whether a Treasury Board authority were required. In this case, we determined that it was under the minister's authority; therefore, the program and the contribution agreement never came to the Treasury Board. The Treasury Board had no role, but as the minister indicated, under the transfer of payment policy, it's the responsibility of the deputy head of the department to make sure that all official languages provisions of the act are being respected.

I hope that clarifies. There may have been some misunderstanding before regarding TBS's role.

My question is for Ms. Kovacevic. I'd like to give her the chance to clarify her remarks or give an explanation of this \$10-million approval, how that happened and how that went down.

● (1515)

Ms. Michelle Kovacevic: I'm sorry, what \$10-million approval?

Mrs. Brenda Shanahan: Sorry, it's the \$12 million. In the answers you were giving to Mr. Angus, there seemed to be some mistake or misunderstanding there, too, about an approval that had happened with the \$900 million.

Thank you.

Ms. Michelle Kovacevic: Thank you.

Mr. Angus is referring to annex 4, which is in the documents that we submitted to Parliament. Annex 4 lays out a funding decision, which says...a high-level announcement, \$900 million, the minister of ESDC to return with a proposal, and it also has WE Charity, \$12 million. That was never signed by the Minister of Finance. He verbally approved all of it except for the WE, and the final decision from the Prime Minister also approved all of it, but not the WE Charity part.

In the communications product, a backgrounder I believe it was, there was a typo, if you will, which still listed \$912 million rather than \$900 million. In fact, it is \$900 million, not \$912 million, and neither the Minister of Finance nor the Prime Minister had signed off on the WE Charity \$12 million at that point in time in advance of the April 22 announcement.

I hope that's clear.

Mrs. Brenda Shanahan: Thank you very much for that clarification.

I have one last question, Chair, if I may.

I want to ask Ms. Kovacevic, did she bring her Sassy phone to today's meeting?

Ms. Michelle Kovacevic: I think I need to be a little less sassy, but yes, it is here. Thanks for asking.

Mrs. Brenda Shanahan: Keep the sassiness.

Thank you very much, Chair, and thank you to today's witnesses.

The Chair: Thank you very much.

Mr. Charlie Angus: I have a point of order, Chair.

The Chair: Yes, Mr. Angus, go ahead on a point of order.

Mr. Charlie Angus: Before we end for the day... I think this question of the \$12 million is really important. We have it actually in the minister's financial annex, which says he signed off on it, he's approved it. We have it listed in the government release, which the witness is saying was just a typo, but \$912 million is not a typo; it's showing that it's still there. It eventually is mentioned in the PCO, where the PCO says they have a problem with it. I think they had a problem with—

Mr. Francesco Sorbara: Chair, excuse me.

Mr. Charlie Angus: I'm not finished, sir. I'm on a point of order, please.

Could my colleague wait?

Mr. Francesco Sorbara: I believe this is debate.

The Chair: Go ahead, Mr. Angus, but please be—

Mr. Charlie Angus: This is serious. I think my colleagues have interrupted us enough over the last 40 days.

I am asking this because some of the documents in annex 4 are blacked out. In one it says, "Hey folks—just picked up a package of docs from Bill [Morneau]. Let me know which ones are still missing so I can track them down", and then, "Annex 4, Canada Student Service Grant—he didn't sign anything on this one just wrote OK (same as above, Tyler)".

I am asking—

Mrs. Brenda Shanahan: I'm sorry, Chair—

Mr. Charlie Angus: Mr. Chair, I'm still on the point of order.

The Chair: I know, Mr. Angus.

You know that I've given broad room for everybody.

Mr. Charlie Angus: I am asking you if you will ask the finance department to send those documents unredacted regarding this so we can clarify whether it was a typo or whether, in fact, as it says, he signed off, "OK", for the \$12 million.

It's a simple thing, but we need to know.

The Chair: All right. The request for documents is on record right now.

Madam Clerk, if that's permissible, we can make that happen.

Colleagues, we're done for the day.

Please allow me to thank the witnesses for their patience and full-some answers.

Colleagues, we will see you at 11 a.m. on Monday, either virtually or in person. Have a good weekend.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>