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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1635)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): I call this meeting to order.

Welcome to meeting number 152 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we begin, I'd like to ask all in-person participants to read the guidelines written on the updated cards on the table. These measures are in place to help prevent audio feedback incidents and to protect the health and safety of all participants, including—and especially—our interpreters. I kindly remind all those in person, as well as online, that for the safety of our interpreters it is very important that your microphone is muted when you are not speaking. I remind you that all comments should be addressed through the chair.

[*Translation*]

Pursuant to Standing Order 108(3)g, the committee is resuming consideration of report 6, Sustainable Development Technology Canada, of the 2024 reports 5 to 7 of the Auditor General of Canada.

[*English*]

I would like to welcome our witness.

As an individual by video conference, we have Annette Verschuren, an officer of the Order of Canada.

Welcome, Ms. Verschuren. It's nice to have you here today. You have five minutes for opening remarks.

Mr. Larry Brock (Brantford—Brant, CPC): I have a point of order, Chair.

The Chair: Wait one second, Ms. Verschuren. We have a point of order.

Yes, Mr. Brock.

Mr. Larry Brock: I have a couple of issues, Chair.

I noticed during the audio check for Ms. Verschuren that there were a number of people in the same room she is in. I'd like to have some clarification on whether they're still in the room, who those

people are and whether or not they'll be communicating with her during her testimony.

The Chair: You can pose those questions, Mr. Brock, at the time.

Hold on for one second.

I'm sorry about that. I just conferred with the clerk.

Those are questions I'll allow you to pose during the questioning, Mr. Brock. I know it's been done before during questioning.

I'll hear a point of order if you have further evidence I should consider.

Mr. Larry Brock: I'm happy to do that, Chair.

The second point of order I have, or the second aspect of the first point of order, is that, given the nature of the testimony, I'll be seeking unanimous consent to have the witness either sworn in or affirming to tell the truth.

The Chair: I'm going to confer with the clerk on that. Wait one second, Mr. Brock. I'll come back to you.

Mr. Brock, your request is to seek UC for the witness either to be sworn in or to affirm to tell the truth. This requires all members' consent.

Do I have consent for the clerk and I to put this into effect?

[*Translation*]

Mr. Drouin, you have the floor.

[*English*]

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Mr. Chair, I've sat on committees for nine years now. I know Mr. Brock is not new, but he hasn't been here for nine years.

I don't object to witnesses, obviously, telling the truth. It's the normal practice—and our expectation—for witnesses to tell the truth. There are other tools we can use if we believe witnesses are not telling the truth.

I would also say that it is known in this committee that members of Parliament also tell the truth as we opine. I'd say that we're all sworn to tell the truth. I certainly don't have an issue, but I would ask the same of Mr. Brock, as he opines during his questioning, to tell the truth as well.

The Chair: Thank you.

Mr. Larry Brock: On the same point of order—

The Chair: I was going to say that it is noted, Mr. Drouin.

I did not hear an objection from Mr. Drouin, so I'm still going to seek UC on that.

Go ahead, Mr. Brock.

Mr. Larry Brock: MP Brock and any other MP at this committee are not witnesses. We are members, who are duly sworn to represent our particular ridings. We are on this committee to ask witnesses questions.

His analogy would be akin to me going back to my old life and having a judge interrupt me in the middle of an examination-in-chief or a cross-examination to say, "Mr. Brock, you need to be sworn in to tell the truth in the form of how you're going to pose the question."

That is a ridiculous assessment by Monsieur Drouin. Either we have unanimous consent or not. Clearly, by his intervention, I think we don't have unanimous consent, but I'd like to hear that from him.

The Chair: Mr. Brock, no, that's not what I heard. I'm going to call the question in a second here.

In fact, I heard quite the opposite from Mr. Drouin, but I'm going to make sure it's clear here, in case I heard it differently than you did, Mr. Brock. I will say to the same thing I said to Mr. Drouin: Your point is noted.

I am seeking unanimous consent for the witness to be sworn and/or affirmed to tell the truth. Do I have that agreement from all members?

Some hon. members: Agreed.

The Chair: I'm going to suspend this meeting for a few minutes while the clerk and I prepare for this.

This meeting is suspended for a couple of minutes.

• (1635) _____ (Pause) _____

• (1645)

The Chair: I will call this meeting back to order.

Mr. Drouin, you had your hand up briefly, but I see it's down now. Very good. We will proceed.

I'm going to turn this over to the clerk, who will run through this.

Ms. Verschuren, could we have your attention, please?

Ms. Annette Verschuren (As an Individual): Yes.

The Clerk of the Committee (Ms. Hilary Smyth): Do you swear that the evidence you shall give on this examination shall be the truth, the whole truth and nothing but the truth?

Ms. Annette Verschuren: I, Annette Verschuren, do solemnly, sincerely and truly affirm and declare that the evidence I shall give on this examination shall be the truth, the whole truth and nothing but the truth.

The Chair: Thank you very much.

I will now turn it back to you for any opening remarks.

You have up to five minutes, please. You have the floor.

Ms. Annette Verschuren: Mr. Chair, this is the fifth time I've appeared before a committee in relation to my work at SDTC. I've made a number of opening statements that are available online, should anyone want to read them.

With that in mind, I'll just turn it over to you and the members for questions.

The Chair: All right. We're going to get through four rounds today. The first round consists of four members with six minutes each.

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

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

Thank you, Ms. Verschuren, for appearing again.

I'll start by asking.... Earlier, it appeared that there were two people in the room with you. Could you please share with the committee their names and what their roles are?

Ms. Annette Verschuren: There's no one in the room with me now.

Mr. Rick Perkins: They're not there now. Okay.

Ms. Annette Verschuren: No.

Mr. Rick Perkins: Thank you.

I'd like to begin with some of your previous testimony in relation to questions I asked of you. I asked you how your appointment process came about. I asked if you had applied. You answered the question in committee, and then you sent a lawyer's letter a week later, but the lawyer's letter didn't really clarify things from my perspective.

You said, Ms. Verschuren, that you had never applied for any job in your life, including this one, and that former minister Bains had called you twice to ask you to do it. That's what you testified last time. Is that still true?

Ms. Annette Verschuren: In my note, I clarified to the committee that I was approached—

Mr. Rick Perkins: I'm sorry, Ms. Verschuren. I didn't ask you about your note. I'll come to that.

Ms. Annette Verschuren: I was approached to put my name forward for consideration, yes, and after a period of reflection, I decided to fill out the necessary documents and submit my application.

Mr. Rick Perkins: Okay. Thank you.

Those are the two pieces that I think were missing, because in former minister Bains' testimony and in the testimony of the head of appointments for the Privy Council Office, the Prime Minister's personal department, they said no one was contacted who hadn't applied first, but clearly, they contacted you before you applied. That's what you just testified.

Ms. Annette Verschuren: During the summer or the spring, I think, there were a couple of occasions when I would have been at a conference with the minister, and I think we discussed it at that stage.

Mr. Rick Perkins: You testified that he phoned you and that it wasn't at a conference—that he actually called you twice.

On the first call, what did he ask and what was your response?

Ms. Annette Verschuren: I don't recall if they were both telephone calls, quite frankly. I did receive a call from him. Again, he said, "Annette, you'd be extraordinarily qualified to take on this position," and he talked a bit about the role of SDTC.

Mr. Rick Perkins: You then gave it some consideration, and you and he had another communication by phone, presumably to discuss what your decision was. Is that correct?

• (1650)

Ms. Annette Verschuren: Yes. I think that, when I decided I was going to apply, we had a conversation.

Mr. Rick Perkins: It's very interesting. I believe the testimony you are giving right now is the truthful testimony, and I believe the testimony reflects that Minister Bains' testimony was actually not truthful. Former Liberal minister Bains, when he appeared, said that he never called anybody who wasn't on the list provided by PCO. It's very clear that they called you first, then asked you to apply and then the PCO list came about with those to be considered.

I believe, Mr. Chair, that is something that will require the reflection of this committee. We had a former minister of the Crown who I believe just lied before the committee about the appointment process and what was done. He said that very clearly. There were many other things he couldn't remember, but he remembered clearly that he didn't do anything that somebody else didn't tell him to do, and that somebody else was the Prime Minister's department, the PCO. That was actually a lie to this committee.

Ms. Verschuren, when you took this position—which, of course, is not something you do for pay, as we know, when it comes to government GIC appointments—there was the issue of the fact that NRStor, which you founded and owned, had already been doing business with SDTC, the Liberal green slush fund. In fact, Leah Lawrence, whom you inherited as the CEO, had warned Minister Bains' office, and his former PMO staffer under Prime Minister Trudeau who was working on government and communications for SDTC also warned the minister's department, that somebody who had a conflict should not be appointed. Ms. Lawrence testified before committee that you were the first chair appointed to this body who actually had been doing business with this body since it was founded in 2001.

Why did you think—I don't care about the Ethics Commissioner discussion, but why did you think personally—that it was okay for you to take on a job with an organization that was doing millions of dollars of business with NRStor, which you own?

Ms. Annette Verschuren: During the application process, I declared this conflict. I had declared this conflict to the Ethics Commissioner, to the conflict commissioner, to ISED and to everybody who was responsible.

I did not know that Ms. Lawrence approached and called the minister on this.

The Chair: Thank you very much.

That is your time, Mr. Perkins.

Next is Ms. Bradford. You have the floor for six minutes, please.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair.

Thank you, Ms. Verschuren, for being with us by video today.

Conservatives would have us believe that you're a Liberal insider, but in fact you've equally served Conservative governments. You were tapped by Prime Minister Mulroney to serve on his national science and technology committee.

Can you speak to the work you did under this committee for the Mulroney government?

Ms. Annette Verschuren: Mr. Chair and honourable member, the former prime minister was the chair of that committee. We worked cross-border with U.S. counterparts. There was a science and technology committee set up by the Bush administration, I think, at the time. We met over a period of two or three years to share ideas, work together and promote business and trade through the acceleration of science and technology.

Ms. Valerie Bradford: Finance Minister Flaherty tapped you as an economic adviser to serve on his economic council during the 2008 recession. Can you speak to the work you were doing under former minister Jim Flaherty?

• (1655)

Ms. Annette Verschuren: I was a member. I think there were about 15 of us across the country who were advising the minister to respond to the economic crisis of 2008-09. This committee made recommendations to the minister on how we should respond in this recession to bring back the economy. We presented short-term recommendations and longer-term recommendations.

It was a pretty big infrastructure program that crossed the country at the time to really stimulate growth. I did that for about 12 months to 14 months.

Ms. Valerie Bradford: Did you do any other work in an adviser role or any similar capacity for any other Conservative PM or minister over the last 20 years?

Ms. Annette Verschuren: I worked with Prime Minister Harper on the science and technology council. I worked with him on North American free trade. I went with him to Cancun to represent Canada to promote trade. Yes, I did a number of those things with former prime minister Stephen Harper.

Ms. Valerie Bradford: You went on a mission to Cancun with the prime minister to promote trade with Mexico. Were there any other department people on that? Was it a trade mission?

Ms. Annette Verschuren: It was a decision where former president Fox, former president Bush and former prime minister Stephen Harper came together to ask what we could do to promote trade. I think there were 10 business people from each country talking about ways we can reduce barriers to increase trade among our countries. It was about an hour-long meeting, and it was part of North American free trade discussions and promotion.

Ms. Valerie Bradford: What year would that have been?

Ms. Annette Verschuren: God, I don't remember the year. I'm not sure.

Ms. Valerie Bradford: Have you taken any such role with any provincial governments in the last 20 years?

Ms. Annette Verschuren: I helped work on an industry committee with.... God, I forget the name of the minister in the Wynne government here in Ontario a number of years ago.

Ms. Valerie Bradford: What did you do with the Wynne government? What was your role and your capacity?

Ms. Annette Verschuren: I was advising on the economy and finding ways to increase productivity and employment.

Ms. Valerie Bradford: Now, multiple witnesses, including officials in the former ministry of industry, have stated it is customary for departments to send out mass emails to stakeholders once the PCO posts appointment openings. The department stated that it likely sent out such an email.

Given your history working with the Government of Canada, as you previously stated, and even serving more recently on the clean-tech strategy table, do you remember receiving an email once the position was posted online, around September 2018?

Ms. Annette Verschuren: I honestly don't remember.

Ms. Valerie Bradford: You don't recall whether you had such an email.

Ms. Annette Verschuren: No.

Ms. Valerie Bradford: Okay. If you don't recall, could you come back to the committee in writing with a response, maybe check your notes and see?

Ms. Annette Verschuren: Yes, I will.

Ms. Valerie Bradford: Okay.

The Ethics Commissioner has made it clear that this was a technical violation of the act. How much would you have personally benefited from any of the funding that was approved by the board in which you had a conflict and did not recuse yourself? What was your total stake in those approved projects?

Ms. Annette Verschuren: Other than the project that I declared at the time of my chairmanship, I was not involved. I had no financial involvement in any project that came before SDTC.

The Chair: That is the time, Ms. Bradford.

[Translation]

Ms. Sinclair-Desgagné will have the floor next.

[English]

Ms. Verschuren, I don't know if you speak both languages, but the next member is going to speak in French, so just be sure your translation is on, if necessary.

[Translation]

Ms. Sinclair-Desgagné, the floor is yours for six minutes.

• (1700)

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Mr. Chair.

Ms. Verschuren, thank you for being with us. You have testified before other parliamentary committees but this is your first time testifying at this committee regarding the important study on SDTC.

Throughout your career, you have devoted a great deal of time to helping companies grow, whether in the field of sustainable development or in other areas. In SDTC's case, we think it's a shame that the foundation is disappearing, because it funded sustainable development and green technology projects that are very useful for the future of Quebec and Canada.

Having said that, I'd like to ask you a few questions in quick succession, and I'd be grateful if you could give me some brief answers.

Are you an investor in Sandpiper's venture capital fund?

[English]

Ms. Annette Verschuren: Yes, I am.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Sandpiper invests in companies such as DeNova and Coloursmith.

Is that correct?

[English]

Ms. Annette Verschuren: Yes.

[Translation]

Ms. Nathalie Sinclair-Desgagné: These companies are part of the Verschuren Centre, and they also receive funding from the Verschuren Centre.

Is that correct?

[English]

Ms. Annette Verschuren: The Verschuren Centre is a not-for-profit organization through which SDTC provided funds to entrepreneurs or companies associated with it. I don't recall these organizations from my tenure.

As a matter of fact, I think I can check—

[Translation]

Ms. Nathalie Sinclair-Desgagné: Apologies for interrupting.

I will ask my question again.

DeNova needed a bioreactor. In fact, it contributed \$500,000 to the bioreactor development project. This company is therefore linked to the Verschuren Centre.

Is that correct?

[English]

Ms. Annette Verschuren: Yes, it is a company that.... Yes.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Ms. Verschuren, I'll summarize. If I understand correctly, you have personal interests in a venture capital investment fund that invests in growing companies, which also receive public funding from the government. You also have private interests in the Sandpiper investment fund.

When you said you had no financial ties to companies that could receive funding through the Verschuren Centre, did you disregard the possibility that it could simply be done indirectly, through the Sandpiper fund?

[English]

Ms. Annette Verschuren: I would have to go and take a look back at the timing of when I invested in that Sandpiper fund, but I checked at the time and there were no conflicts in the Sandpiper fund that SDTC funded.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I meant more generally, not just in the case of SDTC. A conflict of interest can also arise from exercising a power, for example when becoming chair of a board of directors.

Excuse me, Ms. Verschuren, but there are people speaking behind me.

Mr. Chair, could you please intervene?

• (1705)

[English]

The Chair: Order, please. The member has the floor.

[Translation]

Ms. Nathalie Sinclair-Desgagné: When you assumed the presidency of the board of directors, you were able to indirectly obtain funds for various projects. You invested in companies that were in your investment portfolio, such as DeNova. You invest in the Sandpiper fund, and these companies are part of Sandpiper's portfolio. That means that these companies are indirectly part of your personal portfolio. I'll come back to that.

While you were president of the board of directors, there was one bioreactor development project in particular. If I understand correctly, the project was needed to ensure growth at DeNova, which is part of the Sandpiper portfolio. You submitted an application for the bioreactor project to SDTC. Based on the documents I have here, the application for funding was for \$2.5 million.

The application was obviously deemed to be inadmissible, because there was a huge conflict of interest. However, Mr. Rahme, for his part, asked all his teams to make every effort to secure you funding anyway. The amount you received for this project at the Verschuren Centre was practically \$11 million.

I can give you the details. Nova Scotia granted you \$2.5 million in funding. The Atlantic Canada Opportunities Agency, or ACOA, whose senior advisor was Andrew Noseworthy, awarded you \$2 million. NGen gave you \$2.3 million, which was subsidized by Innovation, Science and Economic Development Canada. That's nearly \$7 million.

In 2023, the Forestry Innovation Transition Trust, which was subsidized by the government of Nova Scotia, gave you \$925,000. ACOA gave you another million dollars. Finally, the Canadian Food Innovation Network gave you \$1.1 million, which was subsidized by the Strategic Innovation Fund. This fund was created by Innovation, Science and Economic Development Canada.

The Chair: Ms. Sinclair-Desgagné, please ask your question.

Ms. Nathalie Sinclair-Desgagné: DeNova received public funding as part of the bioreactor project while you had indirect interests in this company. As president of the board of directors, you benefited from your friendship with Mr. Noseworthy, as well as from your position, to enrich yourself and Sandpiper. In the end, you took the opportunity to grow your personal interests.

Is that correct?

[English]

Ms. Annette Verschuren: I'll go back to the Verschuren Centre. It is a not-for-profit eco centre that was sponsoring entrepreneurs and companies to grow their organizations. There was no investment by me personally, no investment at all either directly or indirectly.

The Chair: Thank you very much. That's the time we have.

Our next witness is Mr Cannings.

You have the floor for six minutes, please.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

As I think we've already established, I'm not a witness.

However, I'm very happy that Ms. Verschuren is here before us today.

I thank you for being here, and I appreciate that you've appeared before other committees on this. I'm new to this committee. I'm new to this file and this issue, so forgive me if I go over some ground that you've gone over.

I ask for the forgiveness of my committee colleagues if I go over some ground that you've already heard. I'm trying to get a grasp on this important situation.

The way I understand it, we had the Conflict of Interest and Ethics Commissioner release a report, the "Verschuren Report", back in July that found that you, Ms. Verschuren, had failed to comply with the decision-making and duty to recuse parts of the Conflict of Interest Act in parts of your actions around SDTC.

I'm not an expert in conflict of interest. I did sit on a couple of administrative tribunals where I received training from judges on what conflict of interest was, and as I remember, the most important thing was the perception of a conflict of interest—what the person on the street would think if presented with the facts of a case on whether the person was in conflict. The main thing was to recognize these.

When I was sitting on a panel, to make the right decision as to whether to recuse myself from a proceeding...there wasn't so much. It was mostly recusal in that case.

It seems that you did declare potential conflicts to the board of directors, and you abstained from voting on most of these funding decisions that involved SDTC and the Verschuren Centre or MaRS. You did abstain from voting on most of these decisions. On four occasions, it seems that you didn't abstain from making those decisions. You did not recuse yourself in any of these cases.

I'm just trying to figure out what your personal policy or the policy of the board of directors was on how you handled these conflict of interest decisions. When did you decide to recuse yourself from the discussion? Did you ever leave the room, or did you just not take part? When did you decide that you would not vote?

It seems very important. I guess I'm having a hard time deciding or understanding what your decision-making process was around those conflict of interest situations.

• (1710)

Ms. Annette Verschuren: The Ethics Commissioner found that I took what I believed at the time to be proper steps and that I believed at the time that I had acted within the bounds of the act. I really did.

There were two things that he talked about. He said that I was somewhat led astray in terms of the lack of consistency in the decision-making process at SDTC. I really declared conflicts. One of the things that I should have done better was, instead of abstaining, I should have recused myself, but that was the process that was established and what I followed at SDTC. I accept the Ethics Commissioner's findings.

He also found that there was no evidence that I attempted to influence the decisions of my colleagues on the SDTC board.

Mr. Richard Cannings: If I understand you correctly, you were following a sort of general procedure that the board used, but that procedure, for whatever reason, seems to have run afoul of the Conflict of Interest Act, according to the Conflict of Interest and Ethics Commissioner, because, as you mentioned, you did point out that you failed to comply with that act on some occasions, especially around non-recusal. There were, as I say, four decisions where

you were making a decision on funding companies that were involved with the Verschuren Centre and MaRS, and you even voted on those.

Was there a difference in those situations? Do you recall why you would have voted on those, but, for the most part, you did not vote on the others?

Ms. Annette Verschuren: Look, it was clear that I made some mistakes. I should have recused myself where I abstained, and on a couple of occasions, it wasn't recorded that I did that. Yes, there were areas where I should have been more on top of and declared these things faster. These were all, I think, perceived conflicts as well. That was where I should have been more particular and more detailed, and I didn't follow the process.

The Chair: Thank you, Mr. Cannings.

We are now beginning our second round, which will consist of six members for various times.

Mr. Brock, you're leading us off for five minutes, please.

Mr. Larry Brock: Thank you, Chair.

Thank you for your attendance again, Ms. Verschuren. There are a couple of loose ends I want to pick up on from the first round with my colleague Mr. Perkins.

Through information received from the head of the appointment process at the PCO, Donnalyn McClymont, we received certain information with respect to the recruitment process and the actual hiring.

It would appear that applications were received by the PCO on October 12, 2018, and 56 applicants applied. The PCO interviewed eight to March 15, 2019. Of those eight, five were recommended to be reviewed by Minister Bains at that time. However, none of those five passed whatever sort of threshold test Minister Bains had applied, because during that interim period from October 2018 to May 2, 2019, another 47 applicants applied. They were shortlisted to 16. Three were ultimately interviewed. You were part of that process. In fact, you had applied after your conversation or conversations with Minister Bains on April 30, 2019. A total of six recommendations were sent to Minister Bains.

With that timeline in place, to the best of your recollection, when do you recall first receiving that phone call from Minister Bains? If it wasn't from Minister Bains, was it from someone in his office? Explain that process to us, please.

• (1715)

Ms. Annette Verschuren: I don't recall the date when I received that phone call. I don't recall the date of that.

Mr. Larry Brock: We know you applied on April 30, 2019. Was it the day before? Was it a week before? Was it a month before? Does that help you recollect? Your application was filed on April 30, 2019.

Ms. Annette Verschuren: I don't recall.

Mr. Larry Brock: Okay.

Was this just a cold call out of the blue? You picked up the phone when it rang and heard, “Hi there, Ms. Verschuren. This is Minister Bains. I have something to present to you.” Was it something like that, or was there a process?

Was there an email? Was there a letter that set up a specific time when he wanted to reach out to you? What can you recall about the process?

Ms. Annette Verschuren: The process was probably in the context of advice I was giving him as part of his industry portfolio. I think he talked to me once outside of a telephone call. I just do not recall what he said at that time.

Mr. Larry Brock: It must have been flattering to you that he would consider you for this very important position.

You clearly indicated you wanted some time to think about it. Was there more than one phone call from Minister Bains, again, highly recommending to you that you apply for this position? Was there more than one? I got the impression when you initially testified at a different committee that there were possibly up to three different phone calls—maybe two—and then you ultimately made the decision to apply.

Does that refresh your memory?

Ms. Annette Verschuren: I think there could have been a couple of occasions when he brought this up outside of a telephone call. I was involved in some events he was at. It was a general conversation—

Mr. Larry Brock: I'm sorry. I'm running out of time. I want to ask one last question.

Did you declare your conflict with respect to SDTC during any of those conversations with Minister Bains before you filed your application? Answer yes or no.

Ms. Annette Verschuren: I don't recall talking specifically about that conflict, no.

The Chair: Thank you very much.

Next is Mr. Drouin, who is joining us remotely.

Mr. Drouin, you have the floor for five minutes, please.

[*Translation*]

Mr. Francis Drouin: Thank you very much, Mr. Chair.

I want to thank the witness who is with us today. I think this is the fourth or fifth time that she is appearing before a parliamentary committee.

I'd like to point out that it's perhaps a little strange for my Conservative colleagues to not understand a new appointment process to public administration boards.

I also want to acknowledge that we do not, in our party, appoint former candidates, like we've seen in the past. I think the name Gary Lunn has already been mentioned. He's a former minister who lost the 2011 election and was suddenly appointed to a board, SDTC, one year later.

Ms. Verschuren, I will leave it at that. I don't want to go back too far. However, I read the report published by the Conflict of Interest

and Ethics Commissioner. I have a question for you about your ties to NRStor.

Before the company was awarded funding, did you receive any dividends or any type of payment from this company?

• (1720)

[*English*]

Ms. Annette Verschuren: Do you mean from the investments I had in NRStor, from that project?

[*Translation*]

Mr. Francis Drouin: Yes, that's right.

[*English*]

Ms. Annette Verschuren: No, I did not receive any dividends or any profit.

[*Translation*]

Mr. Francis Drouin: Did you receive a bonus once SDTC decided to award funding to the company? If so, was that communicated to the Conflict of Interest and Ethics Commissioner? Did you receive anything else at all?

[*English*]

Ms. Annette Verschuren: That project did not provide any returns to NRStor, but it was successful in terms of commercialization.

[*Translation*]

Mr. Francis Drouin: Did you personally benefit from the Verschuren Centre before it received funding? Did you have an expense allowance? Did you receive any payment or salary from this non-profit organization?

[*English*]

Ms. Annette Verschuren: I have never received any fees, any salaries. I don't think I ever put in an expense account to the Verschuren Centre.

[*Translation*]

Mr. Francis Drouin: Once the Verschuren Centre and MaRS were able to obtain SDTC funding, did you receive any such benefits from MaRS? Did you have an expense allowance with this organization? Did you receive an honorarium or payments?

[*English*]

Ms. Annette Verschuren: MaRS, like the Verschuren Centre, is a not-for-profit organization, and I've never received any fees. I don't think I ever submitted an expense account for MaRS either.

[*Translation*]

Mr. Francis Drouin: After the Verschuren centre and MaRS were successful in obtaining funding from SDTC, did you receive any payment or an honorarium? Was your expense allowance increased?

[*English*]

Ms. Annette Verschuren: I never received anything financially from those two organizations.

[Translation]

Mr. Francis Drouin: The Commissioner said that, in some cases, you abstained, when you should have recused yourself, which you acknowledged.

If you had to do it all over again, what would you do differently to make sure you complied with the Conflict of Interest Act?

[English]

Ms. Annette Verschuren: Of course, based upon the study done by the Ethics Commissioner, I accepted his recommendations, and I certainly would have recused instead of abstained from those projects. I did abstain in most of them; I just did not recuse myself. The procedure was set up in such a way that management recommended this, so I followed that. That was a mistake that I learned, and I would absolutely make sure I followed that precisely.

• (1725)

[Translation]

The Chair: Thank you very much.

Ms. Sinclair-Desgagné, you have the floor for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Ms. Verschuren, I'd like to come back to the bioreactor project, for which you submitted a funding application to SDTC.

In your request, we see that it was basically a matter of equipment. The cost of the equipment was about \$2.5 million, and the total cost of the project, taking into account the electrical installation, was about \$6 million. I have the numbers in front of me. However, when we look at the total amount paid out for this famous bioreactor, we see that it's about \$11 million.

What happened, Ms. Verschuren? What did you do with the \$11 million of public money that was paid for a bioreactor that cost only \$6 million?

[English]

Ms. Annette Verschuren: I did not apply for any monies for the Verschuren Centre. The CEO did. I was not operating that organization. I was a board member, so this is a matter associated with the existing organization.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Are you saying that you have no idea what's going on at the Verschuren Centre, which bears your name and where you're chair of the board? That is a problem.

[English]

Ms. Annette Verschuren: As a board member, absolutely, we were involved in the strategy of the organization and received budgets and proposals.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I'm going to ask my question very specifically.

The cost of the bioreactor project was \$6.5 million. The Verschuren Centre received over \$11 million. What happened to this taxpayers' money, Ms. Verschuren?

[English]

Ms. Annette Verschuren: The Verschuren Centre is a not-for-profit organization. It's funding the support of the ecosystem. It is building these organizations to create commercial support in the ecosystem. The organization is supporting a lot of companies.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Ms. Verschuren, I'm astounded by the lack of response to a simple and direct question, especially when you consider that the Verschuren Centre doesn't even publish an annual report, while all its money comes from public funding.

It's impossible for taxpayers to know where the money is going. In this case, I would have hoped to get an answer from you, and I'm really disappointed not to receive one.

The Chair: Thank you.

[English]

Up next is Mr. Cannings.

You have the floor for two and a half minutes, please.

Mr. Richard Cannings: Thank you.

I'm going to switch my focus now to some of the criteria used in making these decisions, in trying to understand how those decisions were made at the board level. For instance, the Auditor General found that eight of the projects that we're talking about here today, totalling \$51 million—these are not insignificant projects—didn't meet the eligibility criteria, presumably criteria developed as part of the SDTC and what the goals of that organization were. For example, some of the projects didn't support the development or demonstration of a new technology—and that's, to my understanding, one of the *raison d'être* of this organization—or the projected environmental benefits, the sustainable technology benefits, were unreasonable.

Why were these types of projects funded when they didn't meet those criteria? What went into that?

I'll let you answer that question, and then I might have a follow-up.

• (1730)

Ms. Annette Verschuren: Management would make recommendations for projects to be approved through a rigorous analysis, and then they would be presented to the board. Again, I was not part of the management team. Management would make recommendations to the board.

It's my understanding that many of the Auditor General's recommendations—and I see that from media—already have been adopted by the SDTC organization.

Again, these decisions were supported and made by management, and recommended to the board.

Mr. Richard Cannings: If I understand you correctly, what you're saying is that perhaps things might have been too loose and lax in those decisions, and that after the Auditor General's report, the SDTC management—the people doing the grunt work and assessing these projects—have changed their ways, have changed the methods they use to decide whether projects can be funded as a result of that. Mistakes were made and we've learned from them. Is that what you're saying?

Ms. Annette Verschuren: The Auditor General's report was very broad and it was over a scope of time when I wasn't there as well. It's really hard for me to comment on these management processes. I think that the organization is taking the necessary step to make changes.

The Chair: Thank you very much.

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

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

Ms. Verschuren, the Auditor General's report found that the conflict of interest policy for directors at SDTC did not comply with the SDTC act. Specifically, it did not comply with respect to subsection 12(2) of the act, which states unequivocally that board members shall not “profit or gain any income” from the foundation.

You were the chair of the board. Can you explain how the board adopted and maintained a conflict of interest policy that did not comply with the SDTC act?

Ms. Annette Verschuren: Mr. Chair, I believe that all officeholders owe Canadians a commitment to accountability, and I've been accountable. I resigned as the board chair—

Mr. Michael Cooper: Ms. Verschuren, with the greatest respect, that was not my question. My question was how it was that the SDTC board had a conflict of interest policy in place that didn't comply with the act.

Here's what this unlawful, so-called conflict of interest policy allowed board members to do. This is right from paragraph 6.46 of the Auditor General's report. Board members were allowed, under the policy, to buy or sell securities in companies that were funding recipients of SDTC as soon as three days after a public announcement of a funding decision.

How was that allowed to stand?

Ms. Annette Verschuren: Those were the procedures at the time, and I took over as chair—

Mr. Michael Cooper: Ms. Verschuren, here is the situation we have. The SDTC board could approve funding for a company on Monday and then, on Thursday, board members could buy or sell shares in that very same company. Do you know what that is? It's insider trading, isn't it?

Ms. Annette Verschuren: Those processes were in place when I arrived as chair, so this was the recommendation made by—

Mr. Michael Cooper: They remained in place. For five years you were the chair, and for five years they remained in place. You did nothing about it. Leah Lawrence, the CEO at the time, went to you and said that the conflict of interest guidelines or policy as it pertained to the board needed to be strengthened.

You kiboshed efforts to strengthen those conflict of interest policies, to bring them in line with the act and to end the insider trading. Isn't that right?

• (1735)

Ms. Annette Verschuren: I followed what I believed and...recommended by independent legal advice—

Mr. Michael Cooper: Is that the independent legal advice of the conflicted Ed Vandenberg? Is that the legal advice that you received? Is that your excuse?

Ms. Annette Verschuren: —and from the management team. That was the way in which these—

Mr. Michael Cooper: It's very interesting because at SDTC there was a conflict of interest policy for staff. Staff, quite appropriately, were prohibited from investing in a company funded by SDTC for five years following a project's completion—five years—yet board members could invest in companies three days after a public announcement of a funding decision was made. How do you explain that?

Ms. Annette Verschuren: The procedures were those that I followed, and—

Mr. Michael Cooper: Those were ones that facilitated insider trading. Do you know what the explanation is? It's that the board you chaired was corrupt from top to bottom.

By the way, Ms. Verschuren, you've sat as a director on publicly traded companies. Haven't you?

Ms. Annette Verschuren: Yes, I have.

Mr. Michael Cooper: You know full well that, pursuant to the rules on insider trading and self-dealing from the Ontario Securities Commission, directors can't, within days of a public announcement, purchase shares in the company for which they sit as a director. You know you can't do that. Is that not right?

Ms. Annette Verschuren: I believe I followed the procedures—

Mr. Michael Cooper: You know that's not the case. You can't do that.

The Chair: Mr. Cooper, your time is up. I'll allow the witness to answer.

Ms. Verschuren, you have the floor.

Ms. Annette Verschuren: Certainly, the procedures were established when I got there and continued. I think this is—

Mr. Michael Cooper: [*Technical difficulty—Editor*] because it was one big, green gravy train.

The Chair: I'm going to move on now.

Ms. Yip, you have the floor for five minutes, please.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you, Chair.

Thank you, Ms. Verschuren, for coming today. Would you like to finish answering the question?

Ms. Annette Verschuren: No, it's not necessary. I think I have tried to establish—

Mr. Michael Cooper: She's admitted her guilt—

Ms. Jean Yip: Okay. Thank you. It's my time.

The Chair: Mr. Cooper, your time is up.

Ms. Yip, you have the floor.

Ms. Jean Yip: Thank you.

Do you recognize that your lack of recusals has impacted the industry, leaving small businesses and innovators in a vulnerable position? Do you have any comment?

Ms. Annette Verschuren: I'm very concerned about the clean-tech industry. I understand that a lot of the recommendations made by the AG have been changed and asserted. Absolutely, I hope that SDTC remains a strong organization. I'm really happy that the NRC is taking it over. I really do hope that things will continue, because it is the future of our economy in terms of growth.

Ms. Jean Yip: Do you have other comments regarding the Auditor General's recommendations?

Ms. Annette Verschuren: The Auditor General's recommendations were broad in scope. They focused on the history of SDTC and the act. They focused in part on the decisions of management. I was not part of the management team. From what I've seen in the media, it's my understanding that the SDTC has already adopted most of the Auditor General's recommendations.

• (1740)

Ms. Jean Yip: How do you view the project review that is under way by the transition board? What are your thoughts?

Ms. Annette Verschuren: I believe due diligence is being done. The accountability is under way in terms of making sure that proper procedures are completed and executed.

Ms. Jean Yip: Would you agree that the clean-tech industry relies heavily on government funding to de-risk investment?

Ms. Annette Verschuren: Yes. These entrepreneurs take risks and need to be supported. It's part of the chain of new technology and innovation in our country. It is critically important that we have this support for this sector.

Ms. Jean Yip: Thank you.

Those are all the questions I have.

The Chair: Thank you very much, Ms. Yip.

We are now beginning our third round.

Mr. Nater, you have the floor for five minutes, please.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair, and through you, thank you to our witness for joining us here today.

Ms. Verschuren, do you know who Andrew Noseworthy is?

Ms. Annette Verschuren: Yes, I know who Andrew Noseworthy is.

Mr. John Nater: Earlier this week, we had former deputy minister Knubley here. He used the phrase that Andrew Noseworthy was his “eyes and ears” on the SDTC board.

Would you agree with that assessment of Mr. Noseworthy—that he was the eyes and ears of the industry department on the SDTC board?

Ms. Annette Verschuren: I would agree with that assessment.

Mr. John Nater: Okay.

My understanding is that Mr. Noseworthy attended nearly all, if not all, SDTC meetings. Is that your understanding as well? Was he at nearly all such meetings?

Ms. Annette Verschuren: Yes, Mr. Chair, he was at, I would say, most meetings, board of directors meetings.

Mr. John Nater: We've established that he was the eyes and ears of the department. He was sent there specifically by the deputy minister to be the eyes and ears. I'm curious. What role did he actually play in those meetings?

Did he at any point make note of the fact that there were problems with conflicts of interest? Did he raise any concerns about recusals versus abstentions? What was he saying at those meetings?

Ms. Annette Verschuren: He participated and I would often ask him to talk about ISED's direction and his response to the performance of SDTC.

He never questioned the procedures at the board level with me.

Mr. John Nater: We've established that Mr. Noseworthy did not make note of the conflicts of interest or raise those issues, but I want to follow up.

He was basically providing the SDTC board with the direction from Industry Canada and what Industry Canada wished to see at SDTC. That's my understanding.

Ms. Annette Verschuren: Mr. Noseworthy was, obviously, the representative of ISED. It was important to have that relationship between ISED, the board of directors and management. He would work with the CEO often to talk about new ideas or initiatives that SDTC may have.

Mr. John Nater: In the time since you left the board, have you had any further contact with ADM Noseworthy?

Ms. Annette Verschuren: I have not.

Mr. John Nater: I want to go back to the selection process.

Our understanding is that you applied to be the chair on April 30, 2019. I think we've established that, prior to that, you had received at least one or maybe two phone calls from Minister Bains and perhaps had other discussions with the former minister at perhaps public events or receptions of some sort.

When you applied, were you aware that the Privy Council Office had determined that, "The committee agreed that all seven individuals are strong and that they also represented unique strengths that could serve the interests, current needs, and future direction of the SDTC." That's referring to the highly qualified individuals who had applied prior to those phone calls.

Were you aware that there were other individuals at that time who were deemed to be "highly qualified" for the position of chair and for positions on the board?

• (1745)

Ms. Annette Verschuren: As I indicated, I did not look for this position. I was approached. After reflection, I did apply for it. I had no knowledge of who the other applicants were. I had no knowledge, quite frankly, of the process itself.

Mr. John Nater: Thank you.

Did the minister at any point note why, specifically, you were being encouraged?

Ms. Annette Verschuren: I think the minister recognized my business experience, my focus on and interest in the clean technology area, and that I had committed to push this industry forward in everything I did.

The Chair: That is your time, Mr. Nater.

Next is Mr. Erskine-Smith, who is joining us online.

You have the floor for five minutes, please.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks very much, Chair.

This committee has been marked by a series of Conservative fishing expeditions from what I can tell.

I want to start with the first one, which is this assessment by my Conservative colleagues without any clear evidence—but they keep asking questions on this front—that there's some cozy relationship between you and former minister Navdeep Bains and that you weren't appointed because of your experience, your background and on merit. What was your relationship to Mr. Bains before your appointment? Were you friends?

Let's start with that. Were you friends?

Ms. Annette Verschuren: No. I knew him as the minister of ISED.

Mr. Nathaniel Erskine-Smith: How many times would you have spoken to him in the course of your life?

How many times would you have spoken to him before you ultimately applied?

Ms. Annette Verschuren: I would say three or four, or four or five times.

Mr. Nathaniel Erskine-Smith: You speak to this person four or five times. He's not your friend. You know him in his official capacity as the minister, and I'm supposed to believe, sitting here, without any additional evidence, that there's some cozy relationship and he's installing you there for some corrupt purpose. That's what I'm supposed to believe.

What am I to make of that?

Ms. Annette Verschuren: When I was asked to become the chair, I really reflected on this. I think I wanted to do what's right for the country and for this sector.

Whether or not it was another minister wouldn't have made a difference to me. It wouldn't have made a difference if it was a Conservative minister or an NDP minister. I work for my country.

Mr. Nathaniel Erskine-Smith: Let's get to the second fishing expedition that we've seen at various points in this committee, which is that there's some kind of corruption at issue, that you are self-dealing.

Now, you have acknowledged, and the Ethics Commissioner has found, two ethics violations. One was in relation to the failure to recuse. You abstained, but you failed to recuse yourself in relation to the Verschuren Centre. Of course, though, there was no pecuniary interest, so there's no self-dealing. There's no financial interest on that front.

On the second front, there was the blanket COVID payments. There was an improper decision there as well, on the basis, as I understand it, of incorrect legal advice that you were relying upon for counsel.

Is there any other instance that I should know about, that this committee should know about, that the Canadian public should know about, where you have financially benefited from decisions made at SDTC that you involved yourself in?

Ms. Annette Verschuren: I have not benefited financially.

As I stated in other appearances, I accept the findings of the Ethics Commissioner—I really do. He accepts that I properly sought legal advice, guidance, to ensure my compliance. What he saw is that at the time—

Mr. Nathaniel Erskine-Smith: You should have had a better lawyer.

I want to get to the third and most recent fishing expedition. It's the first time I've heard it in countless hours of testimony. The first time I heard it was just a minute ago from Mr. Cooper, where he basically accuses you of criminal conduct and insider trading.

He might not know that insider trading is based on confidential information, not public information. However, regardless, are you aware of, at any point in time, any insider trading that took place at SDTC by the board of directors or by any of your colleagues on the board?

• (1750)

Ms. Annette Verschuren: I do not recall, or I never saw, that there was any insider trading.

One of the things that the commissioner brought to my attention in the report was that he said there's no evidence that I attempted to influence the decisions of my colleagues on SDTC boards, which was—

Mr. Nathaniel Erskine-Smith: We've received no evidence of insider trading. It's the first I've heard of it—and from a guy who doesn't even know what it is.

My last question to you is this. You've served for Conservative prime ministers. You've served for Conservative finance ministers. What do you make of the fact that a whole slew of current Conservative MPs have sought to besmirch your character, engage in character assassination, accuse you of corruption, accuse you of insider trading? What do you make of this?

You've served your country. You've served Conservative prime ministers. What do you make of this current Conservative rhetoric?

Ms. Annette Verschuren: I can't comment on that, but I go back to the fact that I believe all office-holders owe Canadians a commitment to accountability.

I've been accountable. I resigned. I accepted responsibility. I immediately accepted the report of the Ethics Commissioner. I've appeared five times at committees like this one. At every step, I've made decisions that have demonstrated my commitment to accountability. I don't know what else....

The Chair: Thank you very much.

[Translation]

Before continuing, I'd like to remind everyone to speak slowly.

Ms. Sinclair-Desgagné, you have the floor for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Ms. Verschuren, let's go back to your relationship with Mr. Noseworthy.

How many years have you known Mr. Noseworthy?

[English]

Ms. Annette Verschuren: I would have known Mr. Noseworthy for perhaps 10 years.

[Translation]

Ms. Nathalie Sinclair-Desgagné: All right, thank you.

Mr. Noseworthy played a role in your appointment as chair, since he was the one who told Ms. Lawrence about your candidacy. In fact, he was the one who announced to Ms. Lawrence that, despite her reservations, you would become the chair of the SDTC board of directors.

If we take a closer look, we can see that a number of government expenditures are linked to Mr. Noseworthy. The specific amounts you would have received from government agencies where Mr. Noseworthy works total nearly \$6 million. These agencies include the National Research Council Canada, or NRC, and the Atlantic Canada Opportunities Agency, or ACOA. Mr. Noseworthy works for these organizations and also attends board meetings, making him the government's eyes and ears.

What can you tell me about the fact that a close connection exists between you, Mr. Noseworthy and the funding received by the Verschuren Centre, which bears your name?

[English]

Ms. Annette Verschuren: I've known Mr. Noseworthy for a number of years. I have worked with him on various reports and committees, and I have given him advice over the years.

I have never talked with him about the Verschuren Centre or about any projects to do with the Verschuren Centre. That, again, is something I just did not do.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Mr. Rahme mentioned that you were not entitled to receive direct SDTC funding for Verschuren Centre projects—since you were on the SDTC board—but that he was going to give you access to SDTC resources. This access would help you find direct or indirect funding from ACOA, the NRC and Innovation, Science and Economic Development Canada, through the strategic innovation fund, as well as from NGen, which receives money directly from the same department.

Do you stand by your statement that there is no connection between you and the department, and that you never communicated with Mr. Noseworthy in order to receive these funds? Will you continue to say that the funds just appeared in the Verschuren Centre account?

• (1755)

[English]

Ms. Annette Verschuren: I never talked to Andy Noseworthy about any financial support for the Verschuren Centre. The CEO and management of that organization would have pursued that. That's all I can say.

[Translation]

The Chair: Thank you very much.

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

Mr. Alexandre Boulérice (Rosemont—La Petite-Patrie, NDP): Thank you, Mr. Chair.

Ms. Verschuren, this is the first time I've spoken to you, but I can't help but say how much your action or inaction has plunged us into an unprecedented crisis in the Canadian Parliament. The saga you started, which led to a scandal, has us grappling with a procedural stalemate caused by the stubbornness of the Liberal government and the official opposition. All Canadians are paying the price today.

Nothing has been happening here for weeks. We can no longer discuss any bill or any budget. I just hope you're aware of that.

On December 14, in response to my colleague Brian Masse, you stated:

The project would be at the board level. The vice-president of investments would be making a recommendation. Those people would leave. We would all leave that meeting when that discussion happened and that decision was made.

Then we'd be invited back to come in once the decision was made. We wouldn't know what that decision was until the SDTC announced those decisions the next day.

But the whistle-blower, Witness 1, said:

The second one specifically was the Verschuren Centre application. Employees complained multiple times, even by email to executives, that this was an obvious conflict of interest, yet not a single one of those issues was heard by executives. We were continually ignored up until it went to the board and other board members finally admitted this was an obvious conflict of interest.

Even after it was rejected, the executives then forced employees to personally go to other federal or provincial funding organizations and use SDTC's reputation to see whether they would be willing to give the Verschuren Centre funding.

Either your testimony is wrong, or this whistle-blower is telling us nonsense and lies.

How do you reconcile these two statements? They can't both hold true.

[English]

Ms. Annette Verschuren: I think the process the member described certainly was that. I declared a conflict with the Verschuren Centre immediately, in writing, to all those involved, so I never had a discussion with management about that because I had to recuse myself. It wasn't until I got a call that the board had decided that project was not going to be going forward.

The board made the right decision by—

[Translation]

Mr. Alexandre Boulerice: This employee said the exact opposite of what you're saying. He said that employees were pressured by executives. That completely contradicts your own statement that everything went well and was done according to the rules.

[English]

Ms. Annette Verschuren: I did not know about these accusations and these comments. Again, this was something that I think management was dealing with.

[Translation]

The Chair: Thank you very much.

Mr. Boulerice, you will have the opportunity to come back to this point in the next round of questions.

[English]

Mr. Perkins, you have the floor for five minute, please.

Mr. Rick Perkins: Thank you, Mr. Chair.

I am going to follow up on the questions of my previous two colleagues from the Bloc and the NDP, but I would like to follow up on something I asked you earlier.

In the timeline of your appointment, when you sought advice from the Ethics Commissioner on your conflict of interest in assuming this position, the conflict of interest being that the board of the organization you were about to chair was already lending or granting money to your company, was that after you had accepted the position in your conversations with Minister Bains?

• (1800)

Ms. Annette Verschuren: I believe it was actually done before I was appointed. I think it was a few days before.

Mr. Rick Perkins: Somewhere in that neighbourhood you applied.

I'd like to follow up on the questions. You sat on the board of the Verschuren Centre. Did you sit on the board of Sandpiper as well?

Ms. Annette Verschuren: No, I did not.

Mr. Rick Perkins: However, you are an investor in Sandpiper, and you sat on the board of the Verschuren Centre at the time.

Ms. Annette Verschuren: That's correct.

Mr. Rick Perkins: That was at the time you were chairing the SDTC board. Is that correct?

Ms. Annette Verschuren: I'm trying to remember when I became an investor in Sandpiper.

Mr. Rick Perkins: Okay. I'll come back to that.

The Verschuren Centre sought \$6.8 million from SDTC, and they did that without consulting the board of the Verschuren Centre. Is that correct? When I look at the cash flow statements and the income statement of the Verschuren Centre from the time, it appears it was in desperate need of this money.

Ms. Annette Verschuren: I declared conflicts at the board of the Verschuren Centre on anything to do with SDTC.

Mr. Rick Perkins: That wasn't my question, though.

It did go through the board. When it went to the board investment committee on January 13, 2022, the minutes rejected it, as you say, for all the reasons of conflict of interest. The minutes say that SDTC would shift its efforts in discussion with other potential funding sources in hope that the diligence conducted to date can be transformed into another funding agency. That was in January.

In June, ACOA gave the Verschuren Centre \$2 million, and so on. For the next couple of months, another \$4.2 million was given by other government agencies. There was another \$1 million in September from ACOA, and another \$3.1 million from ISED, which Mr. Noseworthy acted for. Also, another \$1.4 million came from DFO in May of that year.

Do you believe it was ethical to use the staff of SDTC to be the business development funding officers for the Verschuren Centre, which you sat on the board of, and use the staff of your own agency, which you chaired, to help fund government money in other ways for the other organization you established and sat on the board of?

Ms. Annette Verschuren: Mr. Chair, the Verschuren Centre is a not-for-profit organization. Any funding goes to support the ecosystem and its companies.

Mr. Rick Perkins: That wasn't my question. You chaired an organization that used its staff to find other government money when it was conflicted. You couldn't get money out of the thing that you chaired, the green slush fund, so you used the staff to find money from other government departments, who then ended up giving the Verschuren Centre not \$6.8 million but \$11 million. To me, that's a total abuse of your position.

That's just for MP Erskine-Smith's information. He doesn't seem to think that's a problem.

The Verschuren Centre then invested—

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): I have a point of order, Mr. Chair.

The Chair: Just one second, Mr. Perkins.

Go ahead, Ms. Khalid.

Ms. Iqra Khalid: That was absolutely uncalled for, taking shots at colleagues—

The Chair: Ms. Khalid, that's not a point of order.

Ms. Iqra Khalid: No, it is. Generally—

The Chair: By the standards of this committee, that's a pretty light poke.

Mr. Nathaniel Erskine-Smith: I have a point of order.

The Chair: Mr. Erskine-Smith, your poke at a Conservative member was quite a lot harder than that, but I'll hear your point of order.

Go ahead, please.

Mr. Nathaniel Erskine-Smith: It actually was not, Chair. He's suggesting that I don't care about an ethics violation when I have clearly stated multiple times that I do.

The Chair: Look, the meeting's been going exceptionally well—

Mr. Nathaniel Erskine-Smith: It's my reputation.

The Chair: Mr. Erskine-Smith, this is not a point of order. There is a Liberal member up next. If you feel the need to rebut what Mr. Perkins or anyone else is saying, you're free to do that. However, these are not points of order. These are light pokes I'm hearing from all sides, and they're certainly well within—

• (1805)

Mr. Nathaniel Erskine-Smith: I understand, Chair, but I'm on record as saying I don't approve of ethics violations. Mr. Cooper's on record as saying he doesn't understand—

The Chair: Thank you. Yes. You made your position clear in your turn. If you'd like another turn, you're welcome to speak to your whip. These are points of debate, not points of order.

Mr. Perkins, you have about 30 seconds left.

Mr. Rick Perkins: As a board of SDTC, you used the staff to find funding for the Verschuren Centre that you couldn't get from SDTC. You got twice as much from the government as you asked for. That centre then invested in an organization that you have a financial interest in—Sandpiper, DeNova and the bio-creators.

There is a clear link between your efforts to get money for the failed Verschuren Centre so that they could give money to a compa-

ny you had a financial interest in. That's a direct conflict of interest and it's personal benefit by you, which is what the minister set up when he appointed you and knew and was warned that you had conflicts of interest.

The Chair: Ms. Verschuren, I assume that you have no...

Ms. Annette Verschuren: No comment.

The Chair: That's fine.

Up next is Ms. Bradford for five minutes, please.

Ms. Valerie Bradford: Thank you, Mr. Chair.

With the Auditor General's report, which is the real reason we are here and studying this today, showing that there were conflicts of interest, and the Ethics Commissioner reporting that you indeed did break the Conflict of Interest Act, how did you navigate these inherent potential conflicts of interest that you must have faced?

Ms. Annette Verschuren: Unlike the Auditor General report, the Ethics Commissioner did specifically review my conduct. He found that I took what I believed to be the proper and necessary steps to manage conflicts at the time, that I was misled by incorrect legal advice and that I did not attempt to influence the decisions of my colleagues on the board.

I accept his conclusions, including that I acted in what I genuinely thought to be compliance with the act.

Ms. Valerie Bradford: Was the purpose behind your non-recusals because you believed them to be insignificant or because you did not see any returns—or was it simply a matter of not truly recognizing the scope and impact that your not recusing yourself from the funding decisions would have on the SDTC, the board and you?

Ms. Annette Verschuren: In the majority of projects, I recused myself. There were some where I didn't. I abstained, but at all times I did declare. The Conflict of Interest Act basically says that you can't abstain; you have to recuse yourself. That procedural issue was something that I have to take responsibility for.

Ms. Valerie Bradford: Recusing yourself means that you should actually leave the room so that you're not privy to the discussions, because your very presence could perhaps influence the decision that the board may take. Do you agree?

Ms. Annette Verschuren: Yes.

Ms. Valerie Bradford: Okay.

Given your dual roles at the Verschuren Centre for sustainability and the MaRS Discovery District and the Ethics Commissioner's findings that you participated in decisions that furthered their private interests, do you acknowledge that such actions could undermine public trust in institutions like SDTC ?

Ms. Annette Verschuren: Again, the Ethics Commissioner did specifically review my conduct, and he found that I took what I believed to be the proper and necessary steps to manage conflicts at the time. He found that I was misled by incorrect legal advice and also that I did not attempt to influence the decisions of my colleagues.

I accept his conclusions, including that I acted in what I genuinely thought to be compliance with the act.

Ms. Valerie Bradford: What measures do you believe should be implemented to prevent similar situations from occurring in the future?

This has been terribly disruptive, as we've alluded to previously. What would you suggest so that this never happens again?

Ms. Annette Verschuren: I think the recommendations of the Auditor General report are addressing some of those issues and stronger procedures on perceived conflict, actual conflict and potential conflict need to be established. I believe that those recommendations are under way and are now part of the new organization.

• (1810)

Ms. Valerie Bradford: Ms. Verschuren, we've heard a lot about how your tenure as chair of the SDTC board began. Can you please elaborate on how and when it ended?

Ms. Annette Verschuren: I am just trying to remember. December 1, 2023, was my last day with SDTC. I indicated to the minister of ISED that I would be leaving, I think two weeks before, but I wanted to complete the Raymond Chabot report and recommendations of management and deliver that to the ministry, which I did. These were accepted, and changes were made to improve processes in the organization.

Ms. Valerie Bradford: Just to clarify, you advised the minister in December 2023 that you'd be leaving, or two weeks prior to that you advised him that you would be leaving as of December 1. I'm confused.

Ms. Annette Verschuren: No, December 1 was my last date with SDTC, so I advised him the previous two weeks before.

Ms. Valerie Bradford: Okay. I have just one last thing. Can you explain how an advisory panel is different from a board with oversight of SDTC itself?

Ms. Annette Verschuren: An advisory.... I'm not quite sure what context that was in. Can you clarify?

Ms. Valerie Bradford: In my first round of questions, I went through your great history of the very many roles that you've had before with government, and some international. I'm just wondering if you could help clarify how an advisory panel's role is different from that of a board with oversight, which is what the SDTC had.

Ms. Annette Verschuren: I'd say the big difference is that an advisory panel would give advice to ministers, to prime ministers, to

those who want to contribute to looking at policy and making changes to it. An advisory panel doesn't have the same accountability as a board of directors does.

Ms. Valerie Bradford: They're not overseeing operations.

The Chair: Thank you. I'm afraid that is the time, Ms. Bradford.

Beginning our fourth and final round, we have six members and various times.

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

Mr. Larry Brock: Thank you, Chair.

Ms. Verschuren, I'm going back to the appointment process. When you finally made the decision to make an application after you spoke a number of times with former Liberal minister Bains, did you actually reach out to him personally to confirm you had made the decision and you would be applying?

Ms. Annette Verschuren: I'm not sure whether I confirmed with him or one of his colleagues.

Mr. Larry Brock: Okay, but at least when you say "colleagues", you mean a member of his office. Is that correct?

Ms. Annette Verschuren: Yes.

Mr. Larry Brock: Okay, so there was a confirmation to his office before you made a formal application. Is that correct?

Ms. Annette Verschuren: That's correct.

Mr. Larry Brock: Right. Unlike other worthy candidates, your appointment as chair of SDTC was definitely initiated through the PMO.

Who in the Prime Minister's Office did you speak with prior to your interview with the PCO?

Ms. Annette Verschuren: I do not recall talking to anybody in the Prime Minister's Office.

Mr. Larry Brock: Ever...during the process?

Ms. Annette Verschuren: I do not recall, no.

Mr. Larry Brock: Okay. Do you recall the actual interview with the PCO?

Ms. Annette Verschuren: I do recall—

Mr. Larry Brock: Who interviewed you?

Ms. Annette Verschuren: I don't recall, but I can get back to you.

Mr. Larry Brock: Prior to your resignation as chair in December 2023, did anyone from the PCO, the PMO, the current minister's office or any other department official advise you against resigning?

Ms. Annette Verschuren: No one advised me against resigning.

Mr. Larry Brock: I had the privilege of meeting with you for the first time at one of the other committee meetings, and I recall how strongly against you were in terms of any sort of push-back from members to impugn your character or to impugn your integrity. You were very defiant that there would be absolutely no grounds on which you would resign.

Ultimately, you did make that decision to resign. On the allegations out there, you claimed that they were simply allegations. Now they have been proven by the Ethics Commissioner. You have been found guilty by the Ethics Commissioner on two occasions, so why did you resign?

• (1815)

Ms. Annette Verschuren: There was a lot of stress in the organization, a lot of stress with respect to what was happening there at the time, and I was putting perhaps undue pressure on that. The CEO—

Mr. Larry Brock: Thank you.

Since your resignation, have you had any discussions with the Prime Minister's Office, the Privy Council Office or Industry Canada about which documents related to your tenure at SDTC would be withheld from Parliament?

Ms. Annette Verschuren: I have not had any conversations on that matter.

Mr. Larry Brock: Have you had any input from current board members at SDTC about your tenure and which documents would either not be released, fully redacted or partially redacted from the view of parliamentarians?

Ms. Annette Verschuren: I had no conversation with anybody about withholding any documents.

Mr. Larry Brock: You are clearly keeping abreast of what's happening here in Parliament. Parliament has been literally shut down because of the government's refusal to hand over unredacted documents, all unredacted documents, pursuant to the order of the Speaker of the House.

The evidence has clearly shown that the government has chosen to supply us with thousands and thousands of pages of full redactions. Do you, as former chair of the SDTC, believe that the redactions are an effort to shield the former and current ministers from being held accountable?

Ms. Annette Verschuren: That's something that I cannot comment on.

Mr. Larry Brock: Is that because you don't have an answer or you don't feel comfortable?

Ms. Annette Verschuren: I disclosed all my documentation to SDTC, to the Ethics Commissioner and to the Auditor General.

Mr. Larry Brock: Were these unredacted documents that you supplied?

Ms. Annette Verschuren: That's correct.

The Chair: Mr. Brock, I'm afraid that is the time. I know your side will have one more opportunity.

[*Translation*]

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

[*English*]

Mr. Francis Drouin: Mr. Chair, I feel very generous today, and I will cede my time to Mr. Erskine-Smith.

The Chair: Mr. Erskine-Smith, you have the floor for five minutes, please.

Mr. Nathaniel Erskine-Smith: Ms. Verschuren, we had the Ethics Commissioner before us, and I asked him, in all of his review of documents, his interviewing of witnesses, the Auditor General doing the work and then his pursuing this further, if there was not a single piece of evidence, not a single bit of testimony, that caused him to pause and say that maybe he should refer this matter to the RCMP. He responded by saying that, no, there was nothing.

We put a similar question to the Auditor General when she attended to ask if she came across any evidence such that she was concerned that there was criminality that should be referred to the RCMP. She responded that, in the course of her audit, they did not uncover anything that they felt was potentially criminal in nature. They leave that decision up to the RCMP and they would have referred a matter to them, but they did not in this case.

However, even today, criminal conduct has been alleged yet again, including against you personally. What do you make of that?

Ms. Annette Verschuren: Mr. Chair, there were procedural problems that I accept needed to be changed. There certainly weren't any indications of wrongdoing, in my opinion.

Mr. Nathaniel Erskine-Smith: How many more times do you think we should we have you back, five times?

I ask facetiously because five times is an incredible number of times for an individual to attend. We had real wrongdoing when grocery store executives colluded amongst each other to lower the wages of low-income workers; we had them attend once. We had Pornhub executives, who failed to protect women on their platforms, in once.

Yes, you have two improprieties, two ethics violations, and you resigned as a result of that—taking accountability, as you say. In both cases you were following a lawyer's advice. I'm at a bit of a loss as to why we would have individuals attend once when there is very serious wrongdoing, and we would have you attend five times. What do you make of that?

• (1820)

Ms. Annette Verschuren: That's a lot of times, but I take this seriously, and it's my responsibility to respond to the committees that have asked me to be in front of them.

Mr. Nathaniel Erskine-Smith: I'm trying to make sense of Mr. Perkins' last round here. He said that you went to SDTC for money for the Verschuren Centre. You said that it wasn't you, but regardless, collectively the organization came to look for money. The so-called green slush fund wasn't enough of a slush fund, so you couldn't get the money. You went somewhere else to get the money, and now I'm supposed to be concerned about that.

Why am I concerned about the Verschuren Centre getting money from ISED, not via SDTC?

Ms. Annette Verschuren: It's hard to comment on that.

Mr. Nathaniel Erskine-Smith: Yes, it's hard to figure that one out. It's as if the slush fund wasn't a slush fund after all. It's as if now we're on another fishing expedition, not in relation to SDTC but in relation to ISED funding completely unrelated to SDTC.

What I've learned today is that Mr. Cooper doesn't know anything about insider trading and doesn't understand the very concept. He's accused you of criminality, improperly, and I wonder whether he's going to say the very same things outside of the parliamentary privilege that he enjoys. What I've learned a couple of times....

Mr. Perkins, why I get so frustrated when you engage in character assassination is that, frankly, I just thought you were better. Here we have a situation in which Jenni Byrne is looking over your shoulder, and you're acting entirely differently from the person I thought I was going to work alongside at this committee—yet, here we are.

The Chair: You have a minute left, Mr. Erskine-Smith.

Mr. Nathaniel Erskine-Smith: I've said all I need to say, Chair.

The Chair: Thank you very much.

[Translation]

Ms. Sinclair-Desgagné, you have the floor for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Ms. Verschuren, I want to ask you a very specific question.

During your time on the board of directors, when did you become aware that the Office of the Auditor General was planning to open an investigation into SDTC?

If you can you give us a specific date, I'd really appreciate it.

[English]

Ms. Annette Verschuren: Yes. I think it was a couple of months earlier before my...because I went through the whole due diligence process with the Auditor General. I think it was—I'm not sure—in May or June when I heard that the Auditor General was going to be investigating.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Was it in June 2023?

[English]

Ms. Annette Verschuren: Yes, or earlier—I can check that date.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Please do, because the dates do not seem to match.

I would like to know the exact date you were told, even informally, that the Auditor General would proceed with an investigation into the situation.

[English]

Ms. Annette Verschuren: Yes, I will.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Thank you.

In your letter of resignation, you mentioned that you took the major allegations against the SDTC board of directors seriously. Nevertheless, you defended yourself by saying that the board of directors had commissioned two studies and had concluded that there were no problems. That's what you wrote in your letter of resignation.

Today, however, you say you accept the Auditor General's findings. That's a major contradiction, since the reports from the firms McCarthy Tétrault, and Osler, Hoskin and Harcourt draw different conclusions from the Auditor General's report.

Which conclusions do you accept?

[English]

Ms. Annette Verschuren: I have been involved in the Osler study, the Raymond Chabot study and those of the Auditor General and the Ethics Commissioner. I have provided my input and documentation to all of those committees.

The member may be right in terms of my timing with the Auditor General.

At the time that I was leaving, the Raymond Chabot report had been prepared. We absolutely accepted and responded to that Raymond Chabot report. We prepared a management's response to that. Basically, we tightened up and improved processes from the management side and the board side in terms of conflicts of interest. That was really important to have done.

The Auditor General's report and the Ethics Commissioner report happened after. You're right.

• (1825)

[Translation]

Ms. Nathalie Sinclair-Desgagné: The reports did not present the same conclusions. I'll therefore repeat my question.

Do you accept the much more serious conclusions made by the Auditor General of Canada and the Conflict of Interest and Ethics Commissioner? Or do you instead accept the conclusions presented in the reports from Osler, Hoskin and Harcourt and from McCarthy Tétrault, as well as, to a lesser extent, in the final report from Raymond Chabot Grant Thornton? We also know that the findings in the preliminary report submitted in May were slightly more serious.

Which conclusions do you accept?

[English]

Ms. Annette Verschuren: Certainly, the Ethics Commissioner's report was based on my personal, specific issues.

The Auditor General's report is very broad in scope. It was extraordinarily broad. It focused on the history of SDTC. It included time that I was not chair, from 2017. It focused on the parts of the decisions made by management. A lot of it did. I was not part of the management team.

From what I've seen in the media, it's my understanding the SDTC has already adopted most of the Auditor General's recommendations.

[*Translation*]

The Chair: Thank you.

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

Mr. Alexandre Boulерice: Thank you, Mr. Chair.

Ms. Verschuren, at one point, you sought legal advice from a third party on the notion of conflict of interest. In fact, you consulted a lawyer, and you paid for that service.

Why didn't you go to the federal Conflict of Interest and Ethics Commissioner, who is an expert in this field? It wouldn't have cost you anything.

Why go to a lawyer rather than to the Commissioner on these issues?

[*English*]

Ms. Annette Verschuren: That lawyer did a lot of work with SDTC. He was independent and a partner in a major legal firm, so we obviously felt he was very qualified.

[*Translation*]

Mr. Alexandre Boulерice: The Conflict of Interest and Ethics Commissioner is also very qualified. It's his job.

[*English*]

Ms. Annette Verschuren: Yes, it is his job.

I want the committee to reflect on that time. This was three weeks after COVID. All of these companies were not receiving revenue. They were in trouble. They were seriously concerned about making payroll. We received that recommendation from our lawyer. Management received it. The board received that recommendation and accepted it.

[*Translation*]

Mr. Alexandre Boulерice: A story in the media revealed that you were being investigated for a conflict of interest. Three days later, on November 20, you resigned. In fact, you did so faster than Randy Boissonnault.

If you believed you'd done nothing wrong at the time, why did you resign?

[*English*]

Ms. Annette Verschuren: I was the focus of a lot of negative press. I wanted to take the focus—that negative press—away from SDTC, so that it could be free to move forward. That was the reason.

[*Translation*]

Mr. Alexandre Boulерice: Ms. Verschuren, you admitted to confusing the act of abstention from voting with recusal. Section 21 of the Conflict of Interest Act specifically addresses this question.

You were put in charge of a board that managed hundreds of millions of dollars, and no one explained to you the difference between abstaining and recusing yourself.

Is that what you're saying?

• (1830)

[*English*]

Ms. Annette Verschuren: I take responsibility for not following those sections of the act. I was following the procedures that happened before I became the chair and were recommended by senior management.

[*Translation*]

Mr. Alexandre Boulерice: Is it standard procedure not to provide the necessary training on section 21? The training would have allowed you to distinguish between abstaining and recusing yourself.

You're saying that this is standard procedure. In my opinion, the fact that you did not receive adequate information seems fairly abnormal.

[*English*]

Ms. Annette Verschuren: In retrospect, if I had to do it over again, I would obviously recuse myself in every situation, and—

The Chair: Thank you.

Pardon me. I didn't mean to cut you off. I try to allow the witnesses to have the last word in questioning. You're welcome to continue.

Ms. Annette Verschuren: I'd just add, Mr. Chair, that I took the advice of a lawyer.

The Chair: We have two more members remaining.

Mr. Cooper, you're up for five minutes, please.

Mr. Michael Cooper: Mr. Chair, despite Mr. Erskine-Smith's profound ignorance of the rules of the Ontario Securities Commission, Ms. Verschuren, as someone who served as a director on publicly traded companies, you will be aware that, under the rules relating to insider trading and self-dealing, directors cannot buy and sell shares in the company days after a public announcement. Rather, they can only do so during limited windows outside the quarterly financial reporting periods, yet the conflict of interest rules for the SDTC board, which violated the act, allowed board members to buy and sell securities within three days of a funding announcement.

I ask you this again: Why didn't you fix the policy? It sure sounds like a good deal for board members.

Ms. Annette Verschuren: Again, I followed the procedures that were established at the time that I joined that board. Reviewing these things was the responsibility of management and—

Mr. Michael Cooper: So you take no responsibility.

I'll ask you this: What constituted a public announcement? Was it just a press release posted on the SDTC website? Is that a public announcement?

Ms. Annette Verschuren: I don't recall.

Mr. Michael Cooper: If Mr. Erskine-Smith wants to dispute whether it's technically insider trading or akin to insider trading, it certainly is a racket, it certainly is corruption and it certainly is a very different standard than the five years that staff members at SDTC had to wait before they could do what you permitted yourself to do as a member of the SDTC board.

Speaking of law-breaking during your time as chair of the SDTC board, your fellow board member, Andrée-Lise Méthot—being a very close friend of the Minister of Environment, Steven Guilbeault—admitted, when she appeared before this committee, that the board funnelled \$10.4 million from SDTC to companies that she had interests in through her investment firm, Cycle Capital.

How did you allow that to happen?

Ms. Annette Verschuren: Again, Mr. Chair, this was part of the decision-making process in terms of the COVID payments and—

Mr. Michael Cooper: No, Ms. Verschuren, \$10.4 million went into companies that Ms. Méthot had an interest in, and these were not COVID-related payments. Ms. Méthot left the room, in fact, when the monies went out the door. However, subsection 12(2) of the act states very clearly that “no director shall profit or gain any income or acquire any property from the Foundation or its activities.” The act wasn't complied with, just as the conflict of interest policy that you had in place didn't comply with that section of the act.

Again, how did you allow \$10.4 million unlawfully to be funnelled into Andrée-Lise Méthot's companies?

• (1835)

Ms. Annette Verschuren: The process was that presentations were made to the project review committee. The project review committee would recommend putting them forward. This was a process that I believe was the same as before I was the chair, so I think it was—

Mr. Michael Cooper: Ms. Verschuren, subsection 12(2) of the act is pretty clear. I just read it to you. What part of that did you not understand? I asked....

The Chair: Go ahead, Mr. Cooper. Ask again. I'll give you time.

Mr. Michael Cooper: I said that subsection 12(2) of the act is clear. I read it to you. What part of it did you not understand when \$10.4 million was funnelled into Andrée-Lise Méthot's companies while you were the chair and sat on the board?

Ms. Annette Verschuren: As chair, I—

Mr. Michael Cooper: You can talk about the process, but you don't seem to have bothered to have acquainted yourself with a very fundamental component of the act.

Ms. Annette Verschuren: I certainly recognize.... As chair, I felt that I was following all the policies and procedures around conflicts of interest associated with SDTC.

Mr. Michael Cooper: Policies and procedures.... Ed Vandenberg, who was providing you counsel, was also being remunerated

while he served as a member of the SDTC council. While you were the chair, he was voting to appoint five members to the board that you were the chair of...of an improperly constituted council.

Did you ask any questions about that?

Ms. Annette Verschuren: Mr. Vandenberg provided legal advice and provided service to the SDTC board and to management, and—

Mr. Michael Cooper: He was making unlawful appointments to the board while you were the chair, and you just didn't care. Did you just turn a blind eye to that, too?

The Chair: Mr. Cooper—

Mr. Michael Cooper: It's conflicts of interest. It's unlawful appointments. It's self-dealing akin to insider trading. On and on it goes.

The Chair: Mr. Cooper, that is your time.

I'm going to turn now to Mr. Erskine-Smith.

You have the floor for five minutes, please, sir.

Mr. Nathaniel Erskine-Smith: Thanks very much.

I don't know about anyone else, but I just heard a tantrum from a colleague who said, “I called it insider trading but I was wrong, so I'm now going to call it something else, but it's akin to insider trading.”

Let's get to the actual point of this, Ms. Verschuren. You've been found to be subject to an ethics violation in relation to a COVID blanket approval in relation to NRStor, and you've been found to be subject to an ethics violation in relation to the abstention rather than a recusal with respect to the Verschuren Centre's dealings where there was no financial interest in play.

Did you buy shares? Did you invest in SDTC companies within three days of a public announcement?

Ms. Annette Verschuren: No, I did not.

Mr. Nathaniel Erskine-Smith: Okay, but surely Mr. Cooper must be onto something, and it's not just a fishing expedition. Surely we take this thing more seriously than that.

Is there any evidence available to you or to anyone on the board of SDTC where this did take place, to your knowledge?

Ms. Annette Verschuren: I certainly have no evidence of that.

Mr. Nathaniel Erskine-Smith: I must have missed it, because I know Mr. Cooper wouldn't just ask questions and accuse you of criminal conduct and accuse the board of self-dealing without some evidence, so I must have missed it. I apologize for that.

What evidence did Mr. Cooper present to you today to suggest that you or anyone on the board actually engaged in self-dealing?

Ms. Annette Verschuren: I did not see any evidence of that.

Mr. Nathaniel Erskine-Smith: Mr. Cooper didn't provide any evidence. Is that correct? He's accused you of criminal conduct. Did he provide you any evidence of it?

Ms. Annette Verschuren: No.

• (1840)

Mr. Nathaniel Erskine-Smith: That seems surprising. I can't imagine a parliamentarian would conduct themselves like that.

My last question is in relation to your relationships with other members of the board. I should have mentioned one last fishing expedition that I've seen. It hasn't come up today in entirely the same way, but I have seen it come up. There's this idea that there's sort of a quid pro quo: You approve mine, and I'll approve yours.

On the board, who compensated you for approving projects that they had a financial stake in but where they properly recused themselves?

Ms. Annette Verschuren: This was something that I took very seriously. I didn't talk to any board members about any of their projects. The Ethics Commissioner did not find any evidence of that as well. That was something that I really respected, and I just didn't talk about projects at that level.

Mr. Nathaniel Erskine-Smith: The Ethic Commissioner found answers to questions when he last attended our committee. He said the following:

It was clear to me that this was a fund that was—let's be kind—sloppily organized and operated, but there was nothing illegal from the evidence that I was presented with such that I would have said, “Hey, I should stop right now and refer it to the RCMP.”

Would you agree that there was sloppy record-keeping in relation to conflicts of interest? Would you say that there was mismanagement of record-keeping and conflicts of interest?

Would you think that's a fair assessment?

Ms. Annette Verschuren: One thing I did before I left was really try to develop a better standard in terms of conflict of interest reporting in terms of perceived conflicts, existing conflicts and potential conflicts.

That needed to be improved. There's no question about that. It has been improved.

Mr. Nathaniel Erskine-Smith: I maybe didn't get a clear answer to my question previously. Maybe I didn't ask it in as blunt a way as I could have.

You have served in many capacities for different prime ministers of different political stripes. You've said in one of your previous answers that it's not about particular parties. It's about service to the country. I think it's a good thing that you resigned in the wake of an Ethics Commissioner's report. You said that you were going to take accountability for this. I think that's an appropriate course of action.

Why in the world would someone like yourself ever serve on a board under a Pierre Poilievre government that is so engaged in character assassination?

Why in the world would any serious person want to contribute their time when these folks just deal in absolute, outright character assassination, absent any evidence?

Ms. Annette Verschuren: Mr. Chair, I have myself in a situation that I never would have expected in my life. I have worked with Liberal governments, NDP governments and Conservative governments. I think it's really important to want input from people who perhaps have experience like mine and others to help run organizations.

Yes, I think Canada needs people who are independent and can contribute to improving operations, get involved in institutions and be on boards. I think that's really critical.

Yes, it's something that I worry about as a Canadian.

The Chair: Thank you very much.

I want to thank you, Ms. Verschuren, for your testimony and participation in relation to the study. I know there are some documents that you've agreed to submit in terms of timelines and some questions. If you could submit those to the clerk, that would be greatly appreciated.

On that note, this meeting is adjourned.

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