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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1530)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): Good afternoon, everyone.

I call this meeting to order.

Welcome to meeting number 99 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 possibly remotely using the Zoom application.

As a reminder, all comments should be addressed through the chair.

[*Translation*]

Pursuant to Standing Order 108(3)(g), today the committee begins a review of “Report 1 — ArriveCAN”, which was sent to committee on Monday, February 12, 2024.

[*English*]

I'd like to welcome our witnesses. From the Office of the Auditor General, we have Karen Hogan, Andrew Hayes, Sami Hannoush—all who were here yesterday—as well as Lucie Després, director. From the Canada Border Services Agency, we have Erin O'Gorman, president; and Darryl Vleeming, vice-president and chief information officer.

I feel like the committee size has grown here.

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

The Chair: Yes.

Ms. Iqra Khalid: I would like to ask you about this, and perhaps the clerk as well. I understand that officials from PSPC and PHAC were originally invited, and then unilaterally—by your choice, Chair—removed from the witness list, even though the officials were ready and able to come today. I would like to understand why, and then hopefully regain the floor so that we could discuss this matter.

The Chair: Sure. In light of the seriousness of the findings tabled by the Office of the Auditor General on Monday, that ArriveCAN appears to have broken every rule in the book—the Auditor General called it “the worst record keeping” she had witnessed—I acted on my own to hear directly from one department

today, CBSA, along with the Auditor General's office, to get answers to our questions. As you can see from the seats around this room, there's going to be no shortage of questions directed at both the OAG and CBSA.

I can assure members that we will hear from the other two departments in due course.

Is this a point of order, Ms. Khalid?

Ms. Iqra Khalid: Yes, Mr. Chair, it is a point of order.

The Chair: What is the point of order?

Ms. Iqra Khalid: The point of order here, Mr. Chair, is that we've had these discussions so many times that your acting unilaterally really puts the whole committee at a disadvantage. We had officials who were ready to be here today. You're absolutely right: This report is important for us to discuss. We had officials ready to be here. Members are here, willing and able to ask them the questions that are necessary. Your taking these unilateral decisions, Mr. Chair, really undermines the work of this committee.

Public accounts is a very important committee. It is a non-partisan committee or a multipartisan one, where we all get together and we have these important discussions, Mr. Chair—

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): I have a point of order, Mr. Chair.

Ms. Iqra Khalid: We have been here trying to build consensus and to make sure all members of this committee have a say in how we move forward on this. We have been nothing but compliant with the will of this committee. I am just flabbergasted, Mr. Chair.

It's not only that, but now we're seeing a committee meeting scheduled during our constituency week. I do not agree with that at all, Chair. We had witnesses who were willing and able to come here today to answer the questions, and yet now not only are we looking at wasting their time—

Mr. Garnett Genuis: I have a point of order, Mr. Chair.

Ms. Iqra Khalid: —and rescheduling them unilaterally by you, Chair, but we're having to rearrange our own schedules to come in during a constituency week so that we can hear from these officials, who were ready and prepared to come today, Chair.

The Chair: Ms. Khalid, you're beginning to repeat yourself.

Ms. Iqra Khalid: I really don't understand this, Chair, and I absolutely disagree with this.

The Chair: You're entitled to disagree. As I have said before, this is an oversight committee, and I will do my best to guide it in a way that I think is best to get the answers this committee deserves. Members do have—

• (1535)

Ms. Iqra Khalid: There are so many members on this committee—

The Chair: Ms. Khalid, you had the floor. I heard you. You repeated yourself. I'd like you to hear my answer. That was not technically a point of order. I am happy to hear it. We're dealing with this meeting in front of us today. Members do have recourse should they disagree with my decision.

I would now like to move to hear the opening statements from Ms. Hogan and Ms. O'Gorman, and I'm going to propose that we move in that direction.

Ms. Hogan, you have the floor for your opening comments, please.

Ms. Karen Hogan (Auditor General, Office of the Auditor General): Mr. Chair, I am pleased to be here today to discuss our audit report on the ArriveCAN application, which was tabled in the House of Commons yesterday.

I wish to acknowledge that the lands on which we are gathered are part of the traditional unceded territory of the Algonquin Anishinabe people.

Our audit on the ArriveCAN application looked at how the Canada Border Services Agency, the Public Health Agency of Canada and Public Services and Procurement Canada managed the procurement and development of the application and whether they spent public funds in a way that delivered value for money.

I will discuss our findings, but first I have to say that I am deeply concerned by what this audit didn't find. We didn't find records to accurately show how much was spent on what, who did the work or how and why contracting decisions were made. That paper trail should have existed.

Overall, this audit showed a glaring disregard for basic management and contracting practices throughout ArriveCAN's development and implementation.

[*Translation*]

Government organizations needed to be flexible and fast in responding to the COVID-19 pandemic, but they still needed to document their decisions and demonstrate the prudent use of public funds. In this audit, we found disappointing failures and omissions everywhere we looked.

Most concerning was that the Canada Border Services Agency did not have complete and accurate financial records. Because of this, we were unable to calculate the exact cost of the ArriveCAN application. By piecing together information available, we estimated that ArriveCAN cost approximately \$59.5 million.

There was confusion right from the beginning. From April 2020 to July 2021, we found that the Public Health Agency of Canada and the Canada Border Services Agency did not work together to establish each agency's responsibilities for ArriveCAN. In this ac-

countability void, neither organization developed and implemented good project management practices—such as developing objectives and goals, and budgets and cost estimates.

In our examination of contracting practices, we saw little documentation to support how and why the Canada Border Services Agency initially awarded GC Strategies the ArriveCAN contract through a non-competitive process. Only one potential contractor submitted a proposal, and that proposal did not come from GC Strategies.

[*English*]

Also concerning is that we found evidence that GC Strategies was involved in the development of requirements that were used when the agency later moved to a competitive process to award a \$25-million contract for work on the ArriveCAN app. The requirements were very specific and narrow. This gave GC Strategies an advantage that other potential bidders did not have.

We also found that the Canada Border Services Agency's overall management of contracts was very poor. Essential information was missing from awarded contracts, such as clear deliverables and the qualifications required of workers. When we looked at invoices approved by the agency, details about the work performed and who did the work were often missing. This greatly contributed to our conclusion that the best value for money was not achieved.

[*Translation*]

Finally, we found no evidence that Canada Border Services Agency employees disclosed invitations to private functions they received from contractors, as is required by the agency's code of values and ethics. This created a significant risk or perception of a conflict of interest or bias around procurement decisions.

Public servants must always be transparent and accountable to Canadians for their use of public funds. An emergency does not mean that all the rules go out the window and that departments and agencies are no longer required to document their decisions and keep complete and accurate records.

As I said earlier, I believe that this audit of ArriveCAN shows a glaring disregard for basic management practices. As a result, many questions that Parliamentarians and Canadians are asking cannot be answered. The lack of information to support ArriveCAN spending and decisions has compromised accountability.

Mr. Chair, this concludes my opening statement. We would be pleased to answer any questions the committee may have. Thank you.

• (1540)

The Chair: I thank you as well.

[English]

Ms. O'Gorman, you now have the floor for five minutes.

[Translation]

Ms. Erin O'Gorman (President, Canada Border Services Agency): Thank you, Mr. Chair.

Good afternoon, everyone.

[English]

I first want to thank the Auditor General and the procurement ombud for their work. Their reports have pointed to significant gaps in procurement processes, roles and controls at the Canada Border Services Agency. I do not disagree with the term “glaring”. Their recommendations will serve as guideposts to addressing them.

CBSA's management response to both of these reports reflects the work we have already done and will be doing to make sure that all our procurement actions are aligned with policies and processes, that CBSA operates transparently and with regard for probity and value for money, and that all employees operate in a manner consistent with the CBSA's code of conduct and public service values and ethics.

You have our plan, but permit me to highlight three actions that I believe will have a material impact.

We have already created an executive procurement review committee to approve contracts and task authorizations. This is providing even more oversight on contracting activities.

We will require employees to disclose interactions with potential vendors.

[Translation]

We have increased the capacity of our procurement group both to oversee all procurement activities and establish a centre of expertise to help employees if they have questions or do not understand their authorities and obligations.

[English]

Of course, we are also actively improving our internal management practices more broadly. Following Treasury Board policies is a cornerstone to effective public administration, and effective public administration is critical to maintaining the trust of Canadians.

I hesitate to say the following, because it might sound like an excuse. It's not. The ArriveCAN app was built during an extraordinary time and on an emergency basis. I know that the CBSA was working as quickly as possible at the request of the Public Health Agency to replace a paper-based process that was not meeting their needs and was clogging the border. Having been at the Treasury Board Secretariat at that time, I know that the direction was for departments to take action and, if needed, move front-end controls to the back, to be biased in favour of action. But this same direction also stressed the requirement that exigent decisions and actions be documented. As the Auditor General and I have each discovered, this direction was not followed.

The absence of documentation is what is giving rise to these serious questions. Without a doubt, people were moving fast, but that doesn't justify cutting and pasting contracted resources experience directly from statements of work or collaborating with a company on a document they will eventually build on.

[Translation]

I want to assure you that I am doing everything I can to get a clear picture of how all of this unfolded. But I am also looking to the future.

[English]

The Auditor General's 2021 report recognized that the manual process had limitations and was not giving Public Health access to the information it needed, when it needed it. The Auditor General found that the government improved the quality of the information it collected, and how quickly it was collected, using the app. But as I have said, it's not okay that decisions were not documented, that procurement files were incomplete and that proper processes were not followed.

This audit points to significant gaps, and I do not put that at the feet of the pandemic.

• (1545)

[Translation]

So, we have a lot of work to do but I can tell you that the CBSA is comprised of dedicated and talented people. We will be united in this effort to improve our processes and maintain Canadians' confidence and trust as we continue to deliver on our important mandate.

Thank you.

The Chair: We thank you very much, Ms. O'Gorman.

[English]

Starting out first round is Mr. McCauley.

You have the floor for six minutes, please.

Mr. Kelly McCauley (Edmonton West, CPC): Thanks, Chair.

Welcome back, witnesses.

AG Hogan, I have a quick question. The procurement ombudsman, in his report, had commented about the bait and switch that was happening with procurement. He seemed to insinuate that it was quite widespread through the whole of government.

Do you have a sense of how systemic this issue is? Obviously there's CBSA, but do you have a sense of how systemic it is otherwise?

Ms. Karen Hogan: It's my understanding that the procurement ombud's report really looked at the front end of the processes more, whereas when we audit, we come in once the procurement is in place. We're looking at validating that the resources are used.

I can tell you here that there are reasons that a resource in a task authorization or a contract may not work on a contract, but I would expect that the mechanisms the government has are used to switch that up so that you don't accept an invoice with a resource that you didn't already get.

Mr. Kelly McCauley: We heard from both of you about missing documents. Who within CBSA was responsible for collecting and storing those documents?

Ms. Karen Hogan: I would encourage you to perhaps ask the president exactly who.

I think where we saw missing elements.... I would have expected that there would have been someone who planned project oversight. That would have been perhaps the business owner or whoever was tasked with making sure that the application was developed and implemented. I would then expect someone in contracting to ensure that the file makes sense. Anyone who signs off on an invoice, making sure—

Mr. Kelly McCauley: It was quite widespread, though.

Ms. Karen Hogan: I think there are many individuals who play a critical role when it comes to making sure procurement and projects are well documented.

Mr. Kelly McCauley: Is it the same issue with the inaccurate financial records that you commented on? Is it the same issue throughout the department? Is it not just one position, but throughout this project or throughout the department?

Ms. Karen Hogan: Again, I think it starts with the person who might accept an invoice with insufficient information and then certify and sign off that the government received what it should have received. Whoever does the coding and then whoever does the entry into the financial system....

Again, I think you have the luxury of having the president of CBSA here. Some of these questions are well directed at her, as to who would have been accountable and how many individuals would be involved in a process to treat an invoice.

Mr. Kelly McCauley: President O'Gorman, maybe you can answer that in writing, because we're short of time. Maybe you can get back to the committee on that, because I want to move on to another question.

The Chair: Could you just be clear on what the question is?

Mr. Kelly McCauley: The question is, who or what positions were responsible for or should have been collecting and ensuring all the paper was there? Also, as the AG commented, who was responsible for the inaccurate financial records? I assume it's not just one person.

Maybe you can get back to the committee with which departments and which projects, etc.

The Chair: Is it possible for you to do that in writing after the meeting?

Ms. Erin O'Gorman: I can answer it or come back in writing.

Mr. Kelly McCauley: Provide it in writing, please, because we're short of time.

The Chair: Thank you.

Mr. Kelly McCauley: I want to follow up.

The two gentlemen, Mr. MacDonald and Mr. Utano, both received performance bonuses last year and the years before that, did they not?

Ms. Erin O'Gorman: I don't know.

Mr. Kelly McCauley: They did. I am telling you. I am surprised that you would not know, considering the gravity of the situation. I am stunned that's not part of the....

How did they receive bonuses if they are the subject of these accusations?

Ms. Erin O'Gorman: I wasn't aware of who received bonuses.

To your question, they would have been assessed at the end of the fiscal year and to the extent that there is information—

Mr. Kelly McCauley: One moment they're assessed well enough to receive a bonus, and the next moment they're history's greatest monsters in CBSA, according to some of these documents. It just seems quite strange.

Ms. Erin O'Gorman: I can answer that question, Mr. Chair, if—

Mr. Kelly McCauley: Answer very briefly, please.

• (1550)

Ms. Erin O'Gorman: There are mechanisms, if information comes to light after performance ratings are done, to be able to reconsider those ratings.

Mr. Kelly McCauley: The operations and estimates committee first started this ArriveCAN investigation in October 2022. Why did it take all the way up to the Botler allegations for CBSA to actually act and start looking more seriously at this rather lackadaisical effort?

Ms. Erin O'Gorman: There are two things.

First, when the study was started and we were bringing information together to respond to the committee, it was clear to me that the documentation was incomplete and inadequate. The study was started in October, and the Botler allegations came in November—the following month.

Mr. Kelly McCauley: I want to read to you a text. This is from Mr. Doan and it is before his appearance: "My issue is what I want to say and what I can't say. Can I throw PHAC under the bus, throw ministers under the bus?"

What do you think Mr. Doan was referencing when he said that he could not speak to these for fear of throwing PHAC or ministers under the bus?

Ms. Erin O'Gorman: I have no idea.

Mr. Kelly McCauley: Have you looked into it?

Ms. Erin O'Gorman: This is the first I've heard of that text.

Mr. Kelly McCauley: Have you ever heard of any issues regarding Mr. Doan and such issues in his prep for appearing before committee?

Ms. Erin O’Gorman: No.

Mr. Kelly McCauley: How far back does this mess with CBSA go, with its purchasing and its IT issues? This is not something that started with ArriveCAN. How long has it been going on and how did no one catch it?

Ms. Erin O’Gorman: That's what I'm trying to figure out.

As I said, when I started, there were questions regarding the documentation and the cost of ArriveCAN and it became very clear to me that the documents were not complete. We had to try to piece together the information as the questions came in.

I'm not sure how far back it goes. I've also launched an internal audit, which will give me some further information, and certainly the procurement ombud and the Auditor General have shed more light on the issue, but the systems and processes were not in place and the suggestion to me is that some of that does predate the pandemic and was maybe exacerbated by the pandemic.

The Chair: Thank you.

That's the time, Mr. McCauley.

Mrs. Shanahan, you have the floor now for six minutes.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair.

I just want to put on the record that indeed I had questions prepared for all the witnesses we were expecting today, because this is the job of this committee. On the public accounts committee, unlike government operations or ethics or other committees that you'll find here on the Hill, our job is to question the deputy ministers and the executive directors—the public servants, if you will—of all departments that are reviewed by the Auditor General.

Auditor General, I want to thank you for the work that you and your team have done in providing this report to this committee, to Parliament and to Canadians. Canadians have every reason to be proud of the professionalism and the impartiality that your team brings to the work that you do.

I, for one, am a long-standing member of the public accounts committee, and from time to time we need to remind Canadians about the importance of our work here and being impartial. In fact, I think it was a former NDP member who said one should not be able to tell which party a questioner comes from when they are questioning.

Yes, I am shocked. I am outraged by the findings in this report, as are my colleagues.

I'm disappointed. I'm disappointed that during a once-in-a-century pandemic, at a time when the public service was pulling out all stops to help Canadians, to bring forward life-saving vaccines, to provide necessary supports, to work in what was an environment where there were many unknowns, some individuals, some public servants, it appears—and it's not my place here to name them; that investigation, that work will be done elsewhere, as is appropriate—decided, as the Auditor General said yesterday, to throw the most basic financial management rules out the window.

We know that, from human nature, these things can happen, which is why we have measures in place, checks and balances, oversight measures, in order to find out what is going on.

Auditor General, first of all, this is not the first time you've looked at ArriveCAN. Please briefly summarize the findings of the first report that you did.

• (1555)

Ms. Karen Hogan: This is the first time that I've looked at the development and implementation of the ArriveCAN application itself.

We did audit the use of ArriveCAN in 2021, when we were looking at border measures. We completed two audits in 2021 around border measures, and the second one noted that ArriveCAN contributed to an improved response by the government at the border. It improved the quality of the information, the contact information collected from travellers, and the timeliness of that information. Beforehand, the paper-based system at times took something like 28 days for the Public Health Agency to receive contact information from an individual who should have been quarantining, and it's not worth very much when you're trying to see if they quarantined for 14 days and you only receive the information after 28 days.

We did highlight there that it improved the measures at the border, but we did not actually look at the application until we issued this report yesterday.

Mrs. Brenda Shanahan: Thank you very much for that, because I agree with those findings. I also agree with the findings, in their entirety, of the ArriveCAN report that you tabled yesterday.

The application was needed, but it cost too much.

Auditor General, have you spoken to this committee before about how you choose to audit departments and how you come to do the work that you do? Could you tell us how long you have been working on this audit?

Ms. Karen Hogan: We received a motion from the House of Commons back in November—I'm just going to double-check—on November 2, 2022, that asked us to complete work on the ArriveCAN application. While it's important for the independence of my office for me to be able to choose whom we audit, what we audit and when we audit it, I also take very seriously requests that come from the House of Commons or the Senate.

In this case, we decided that it was an important audit to carry out. We intended to release it before the holidays at the end of 2023, but had to extend some of the time needed in order to finalize the work, and tabled it yesterday.

Mrs. Brenda Shanahan: Thank you, Auditor General.

Indeed, you were working on different aspects of this study, were you not? Our committee did ask you to continue your work on ArriveCAN. There was a letter on record back in October, which perhaps the clerk can provide for members who don't recall it.

I'm just trying to make the point that the independence of your office is critical, but I understand that you do respond to the concerns of parliamentarians, and we greatly appreciate the fact that you do so.

The Chair: Mrs. Shanahan, you have time for a very brief question.

Mrs. Brenda Shanahan: Ms. O'Gorman, I just want to hear you and thank you for your remarks.

Can you please explain this to us? As the Auditor General points out in paragraph 1.40, there was a lack of "sound justification" for the selection of GC Strategies. Where was the gap in the chain of command? Why was this not uncovered sooner?

Ms. Erin O'Gorman: I'll tell you that we have also been looking to answer that. To the extent that I knew there was a gap, I was open to the Auditor General perhaps finding the answer. We have an internal investigation going on. As I said, the documentation was not good, and the inability to answer the question as to who picked that company has been hanging over the agency for over a year now.

What we do know is who signed the documents, who signed the requisition form to PSPC asking that a contract be put in place and that individuals exercise their authorities, significant authorities vested in the FAA in their section 32 and section 34 attestations.

There's been testimony that there was pressure and other people took decisions. I'm open to having that play out. I have not seen any evidence to that, so all we have to go on right now is the paper.

• (1600)

The Chair: Thank you very much.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for six minutes.

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Good afternoon, everyone.

Thank you for being here.

Madam Auditor General, I want to quickly address you about a question I asked yesterday, and I hope to get answers to it today. It concerned Public Services and Procurement Canada warning the Canada Border Services Agency about failure to comply with certain processes or overuse of non-competitive processes at the agency.

Do you have more information on the nature of those warnings? More importantly, from whom to whom are they issued?

Ms. Karen Hogan: I want to make sure I understand the question. Do you mean once Public Services and Procurement Canada began calling the non-competitive process into question?

Ms. Nathalie Sinclair-Desgagné: Yes.

Ms. Karen Hogan: It was done by email in May 2020.

A manager at Public Services and Procurement Canada emailed the people responsible for the process, but he also sent a copy of it to the then executive director of the unit managing the ArriveCAN app.

Ms. Nathalie Sinclair-Desgagné: So a copy of that email was sent to Mr. Utano.

Ms. Karen Hogan: Yes.

Ms. Nathalie Sinclair-Desgagné: Okay.

You're saying it was a copy. So who were the main recipients at the Canada Border Services Agency?

Ms. Karen Hogan: The people who were going to set up the contracts. They were below the managers in the hierarchy.

Ms. Nathalie Sinclair-Desgagné: Do you know if those people are still working there? Were you able to ask them questions?

Ms. Karen Hogan: No. I think they are no longer in their positions at the agency.

Ms. Nathalie Sinclair-Desgagné: Were they transferred to another department? Are they still working for the public service?

Ms. Karen Hogan: I don't know if they are still working in the public service, but they are no longer with the agency.

Ms. Nathalie Sinclair-Desgagné: So, in your audit, you didn't ask them why the recommendations hadn't been followed.

Ms. Karen Hogan: No.

Ms. Nathalie Sinclair-Desgagné: In your audit, we learned that the recommendations made by Public Services and Procurement Canada were not followed, but we don't know why.

Do you know why the recommendations were not followed?

Ms. Karen Hogan: No.

There's nothing in the file about their reasons for not following the recommendations of Public Services and Procurement Canada.

We interviewed managers who no longer work at the agency but are still part of the public service. However, we did not conduct audits at lower levels in the hierarchy.

Ms. Nathalie Sinclair-Desgagné: Okay.

We can go back even further, to 2018. In fact, one Mr. Sabourin, who worked at the Canada Border Services Agency, was a whistleblower. We in the Bloc Québécois wanted to protect him—a bill was even passed. Mr. Sabourin reported highly objectionable wrongdoing at the agency.

So this has been going on for a long time. Other services, including some within the government, have stated that certain processes were not followed.

Let's look at the timeline of events.

In 2018, something was put in a whistleblower's coffee after he reported wrongdoing for everyone's benefit. He had to resign or leave for medical reasons because he was intimidated at the agency. So we've known for a number of years that there's a problem.

Ms. O'Gorman, you've been in your position since July 2022, I believe. So it's been over a year and a half. Did you receive a clear mandate from the government to clean things up at the agency, yes or no?

Ms. Erin O'Gorman: I don't require a mandate.

Ms. Nathalie Sinclair-Desgagné: So the answer is no.

Ms. Erin O'Gorman: I'm working on cleaning things up, but clearly, according to the two ministers I report to—

I will continue in English. I apologize.

[*English*]

Their expectation is clear: If there is wrongdoing, it needs to be found out—

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Okay.

[*English*]

Ms. Erin O'Gorman: —as well as if there are problems with the systems and processes.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Have you discussed these matters with the two ministers you report to?

Ms. Erin O'Gorman: I mentioned to both ministers that there were procurement issues around management.

Ms. Nathalie Sinclair-Desgagné: When did you do that?

[*English*]

Ms. Erin O'Gorman: When these allegations came up, I informed Minister Mendicino that the allegations were serious. We were taking them seriously. I was also making moves on internal processes to shore up information and systems and processes problems that I was already seeing. In my initial brief with the minister in the summer when he was appointed, when I did an overview of all the things that concerned us, I raised the issue of addressing systems and processes and contracting issues in the agency very clearly.

• (1605)

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Okay.

What instructions were you given with respect to cleaning up? For example, were you asked to follow up on certain individuals who had been suspended?

How many people were suspended or shown the—? We know there are two. Are there more?

What Mr. Sabourin revealed, starting in 2018, is that this seems to be quite widespread within the agency. Were others laid off?

To what extent did you clean up? I'd like some concrete information on that.

[*English*]

Ms. Erin O'Gorman: I made it clear that this was my priority. On the question of harassment, I take that very seriously and, in

that, any intimidation. Our systems and processes need to have the confidence of our employees—

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: I don't have much time left.

Have people been laid off or suspended as a result of these allegations?

You say you take these allegations seriously, but what have you done in concrete terms?

[*English*]

Ms. Erin O'Gorman: I'm not sure about the specific allegations you're referring to, but we have taken action on founded allegations, and we have taken disciplinary action. However, I'm not going to speak about specific actions and specific individuals.

[*Translation*]

The Chair: Thank you very much.

Mr. Desjarlais, you now have the floor for six minutes.

[*English*]

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Mr. Chair.

I too want to thank the Auditor General and her team for a very important audit and, of course, the audit's role in what is hopefully a process to make things much better, because this, in my opinion, is one of the worst, if not the worst, audits I've ever seen. Hopefully we can level how serious this is with you and members of the CBSA and how it is simply unacceptable and it must change.

I really do hope you take seriously the recommendations that are outlined in this audit and find better ways to ensure that you can go beyond that.

Before I get into some of that work, I just want to touch on how upsetting this is and how rightfully upset Canadians are. You can just imagine those persons—a single mom, people who are having a hard time trying to get into work or people who are struggling to make ends meet—finding out that in the cost of living crisis we're experiencing right now the federal government has opened the doors to rich consultants getting even richer.

We saw in the audit, for example, some very serious issues of overbilling, and there are immense issues of vulnerability in the contracting processes. The report estimated that \$59.5 million was handed over to these wealthy consultants, such as GC Strategies, the one we're auditing today, but this is a story that began in 2020. I believe you were at CBSA during that time, when contracts, including the \$20-million competitive one, were tendered.

If that is not the case, then I acknowledge that, but I think there were several instances and several issues. One was with that contract alone, the contract that allowed rich consultants to define their competition directly, right from the person issuing the bid. That's a huge issue. I'll be touching on that in my subsequent round.

The first issue I want to deal with, however, is the non-competitive processes that CBSA undertook in order to get the original contracts, three of them I believe. These contracts were not properly disclosed even to the Auditor General, I understand. Much of that information is still unknown, and that's at the core of why we're asking these important questions.

My concern for this round of questions is with the first set of contracts and the very ill proceedings that led to GC Strategies getting these contracts. We saw in the audit, for example, that they were invited to dinner. They were given gifts. Some of these issues involving direct conflicts of interest were not reported to CBSA, and that is something that should give us all pause. That level of transparency has not been available to this committee. It is deeply concerning not to know exactly how these non-competitive contracts were able to be entered into.

What do you know about the events and the gifts received by these two men in order to do services and get access to a non-competitive process?

Ms. Erin O'Gorman: Okay, I'll say a few things.

It is unacceptable. It's absolutely unacceptable, and the systems, I would argue, and the absence of controls allowed for the existence of the vulnerabilities you referred to.

The procurement ombud, when he was testifying at another committee, indicated that in an emergency it might be good practice to go to a consultant or contractor you know, but that you would document that. The lack of documentation is what's giving rise to all of these questions that we can't answer. I absolutely agree.

The awarding of subsequent sole-source contracts just elevates those questions even more. To me, there could have been a justification at the outset, when we had to move quickly. This was a company we might have been working with that had supplied people who could do the ones and zeros, who had worked with our people to deliver something, but none of that was written down.

• (1610)

Mr. Blake Desjarlais: From your investigations and your understanding, how long have these gentlemen at GC Strategies been involved with CBSA?

Ms. Erin O'Gorman: My understanding, based on the documents I've seen, is that GC Strategies worked as a subcontractor to another firm prior to the pandemic. I don't believe there was a specific contract with GC Strategies, but I might be mistaken on that. I can come back in writing to clarify.

However, before the pandemic, they were a subcontractor to another company, and the individuals who were working with CBSA staff on a mobile application were the same individuals who came in to work with CBSA staff on ArriveCAN.

Mr. Blake Desjarlais: Let me try to understand what you just said. They were a subcontractor before the COVID-19 pandemic. Under the practice of knowing somebody to do quick work, you're saying that they had access because those civil servants knew them and were aware of GC Strategies. Is that correct?

Ms. Erin O'Gorman: Yes. It was the same group that had those people under contract who became responsible for the ArriveCAN app.

Mr. Blake Desjarlais: How long did these civil servants declare that they'd known these persons for? Do you know that?

Ms. Erin O'Gorman: I don't know that.

Mr. Blake Desjarlais: That's interesting.

How much time do I have, Chair?

The Chair: I'm afraid you are out of time, but we will come back to you, Mr. Desjarlais.

Next we have Mr. Brock.

You have the floor for five minutes, please.

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

Ms. O'Gorman, although you have not been sworn or affirmed to tell the truth, there is a presumption that any witness who appears at committee will tell the truth. I'll state at the outset that I have heard your evidence on multiple occasions and you, ma'am, have a serious deficit when it comes to credibility and integrity.

Mrs. Brenda Shanahan: I have a point of order, Chair.

The Chair: Nothing he has said is out of bounds. You know that I watch for language. The member is pressing hard, as he has the right to do. You might not like it, but these are serious allegations, and we're not hearing a lot of answers today from CBSA. It seems that no one was in charge.

Mr. Brock, you have the floor. I stopped the clock. I'll resume it right now.

Mr. Larry Brock: Ms. O'Gorman, in relation to a question put to you by my Liberal colleagues, you said that whoever picked GC Strategies is still an unknown entity and that, for well over a year, it has been just hanging in the air. I guess you forgot about ATIP request A-2022-27196, which asked for summary request records from November 1 to November 16 of notes, emails and texts sent or received by Erin O'Gorman, Ted Gallivan, Jonathan Moor and Kelly Belanger related to either the ArriveCAN app or their November 14, 2022 appearance at the government operations committee, including any discussions following the meeting.

Based on that response, you as president and vice-presidents Minh Doan and Kelly Belanger approved a briefing preparatory package that provides—wait for it—a direct response to the question of who chose GC Strategies for ArriveCAN. Lo and behold, in annex A of the ATIP as supplied by someone in your department, presumably you, in answer to the question “Who made the decision to contract GC Strategies?”, it states:

My office made the decision to pursue the contract with GC Strategies.

The two proposals for the work were presented to the CIO and President, and the decision was made to proceed with GC Strategies as their proposal and approach aligned best to what the CBSA was looking for, particularly rapid staff augmentation.

The Deloitte proposal was a managed service using their Cloud instance. This would have involved additional risk, and did not align with our direction to build Cloud/Mobile competencies within the Agency.

Why are you lying to committee?

• (1615)

The Chair: Wait just one second. Mr. Brock, you were very good there. You and others know that I do not condone that language, nor do we condone that in the House. I would ask all members to direct tough questions to the witnesses and use parliamentary language, even though not every person at this table is a parliamentarian.

Ms. O'Gorman, you have the floor, and I apologize for that.

Ms. Erin O'Gorman: Thank you.

I would like to confirm that the allegations are not against me. This is not the first time that I've been accused of that. I have told the truth, and I continue to tell the truth.

I'm not sure what document you're referencing. I don't know that it was approved by me, and as for the reference to my office, I wasn't in the position when GC Strategies was—

Mr. Larry Brock: Then it was your predecessor, the former president, Mr. John Ossowski. You can't escape liability and responsibility, ma'am. This is a document that was supplied by the CBSA in relation to an ATIP.

Did you or anyone in your office share the results with the Auditor General as to who picked GC Strategies?

Ms. Erin O'Gorman: I would have to look at that document to understand what it is in reference to.

Mr. Larry Brock: Perhaps you lost this document as well, just like the rest of the documents.

Ms. Erin O'Gorman: We released it under ATIP, and I don't know who the "my" is that you're referencing there. I wasn't at CBSA—

Mr. Larry Brock: Okay, I'm going to move on now.

Ms. Erin O'Gorman: —when the decision was taken about GC Strategies.

Mr. Larry Brock: I'm going to move on, because the record is clear, the documentation is clear, so let's end this charade as to who picked GC Strategies. It was John Ossowski in the role of the former president and Minh Doan. It had nothing to do with Mr. MacDonald or Mr. Utano. I know you'd like to blame them because they cast blame on you, and we're pointing fingers, but this net of suspicion is much larger than the two individuals.

Mrs. Brenda Shanahan: On a point of order, Chair, this is not a court of law. We are not investigating [*Inaudible—Editor*].

Mr. Larry Brock: [*Inaudible—Editor*]

The Chair: Mrs. Shanahan, this is a parliamentary committee. Mr. Brock's questions are direct but certainly within the bounds of acceptable questions.

I'm going to turn things over to Mr. Brock.

I'm starting the clock again. You have about a minute and 15 seconds.

Mr. Larry Brock: Your reports to the RCMP about potential criminality only relate to Mr. MacDonald and Mr. Utano. Is that correct?

Ms. Erin O'Gorman: That's not correct, and it is not correct to say—

Mr. Larry Brock: Who else—

Ms. Erin O'Gorman: Mr. Chair, may I—

Mr. Larry Brock: Ms. O'Gorman, this is my time.

Who else did you identify to the RCMP besides MacDonald and Utano?

Mrs. Brenda Shanahan: Chair, on a point of order, does that not compromise RCMP investigations?

Mr. Larry Brock: No, it does not.

The Chair: Ms. O'Gorman is here to answer questions, and she will do so.

Mrs. Brenda Shanahan: This is out of bounds.

The Chair: It is not out of bounds. These are committee questions, and we have great latitude to ask questions on Parliament Hill. Witnesses will answer the questions to the best of their ability.

Ms. O'Gorman, you have the floor.

Ms. Erin O'Gorman: Mr. MacDonald didn't blame anything on me, and—

Mr. Larry Brock: He said you were lying, ma'am, at committee.

Ms. Erin O'Gorman: He did not say that.

Mr. Larry Brock: Yes, he did.

Ms. Erin O'Gorman: That is not true.

Mr. Larry Brock: He did.

Ms. Erin O'Gorman: The question was put to him whether he felt a series of individuals were being honest, and to my name he said, "I wouldn't think so." I don't know what he was referring to. He provided no more information. He did not say that.

Mr. Larry Brock: Can you answer my question? Who else did you identify—

Ms. Erin O'Gorman: I did not identify anybody to the RCMP. The CBSA received allegations from Botler that were serious enough for me to launch—

Mr. Larry Brock: You told me earlier at committee that you referred the matter to the RCMP.

Ms. Erin O'Gorman: I'm answering your question.

Mr. Larry Brock: This is my time.

You told me earlier that you referred the matter to the RCMP. Did you simply furnish the Botler allegation to the RCMP, or did you ask the RCMP to investigate Mr. MacDonald and Mr. Utano at the exclusion of anybody else?

The Chair: Thank you, Mr. Brock.

We'll hear from Ms. O'Gorman.

You have the floor for a brief answer.

Ms. Erin O'Gorman: I launched an internal investigation, and the investigators provided that information to the RCMP.

The Chair: Thank you very much.

Next we have Ms. Bradford for five minutes.

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

Thank you to the witnesses.

I appreciate the Auditor General and her team and this very challenging report. It's a challenging report for two reasons: one, because of its findings, and two, because it actually raises more questions than it answers due to the incomplete and unclear records and processes that were being practised at the time.

I'm particularly glad the CBSA is here, hopefully to provide some answers.

To start, Ms. O'Gorman, can you tell us why the CBSA disregarded Public Services and Procurement Canada's recommendations about the use of competitive contracts?

• (1620)

Ms. Erin O'Gorman: I can tell you that under my leadership, CBSA will not disregard PSPC's advice and concerns. Why that may have happened, I don't know.

Ms. Valerie Bradford: I wonder if you have any insight as to why CBSA awarded a non-competitive professional services contract to 49 Solutions after the firm sent in an unsolicited proposal. Why would that proposal be accepted?

Ms. Erin O'Gorman: Again, that's part of what we're looking at.

I will say that I know, from my previous job at the Treasury Board Secretariat, that at the beginning of the pandemic industry provided many departments with unsolicited proposals in an effort to be helpful. Perhaps some of those were for personal gain. I think a lot of them were for public service.

The contract you cite, I don't know if that was an effort to be helpful and it was in response to something the CBSA needed at the time or if it was something different.

Ms. Valerie Bradford: Getting back to the use of a non-competitive process, we've heard that it was time-sensitive, that we had to get moving on this. Then it took 12 to 63 calendar days from the day Public Services and Procurement received the agency's request to the day the contract was awarded. Sixty-three calendar days would have allowed for a competitive process.

Do you have any inkling why it would take that long to award a contract?

Ms. Erin O'Gorman: No. I think that question would be better posed to Public Services and Procurement. However, I think what's behind your question is this: Given that time, why wasn't a competitive process launched? I think that's a very good question as we look at the rationale for sole-source contracts versus competitive.

Ms. Valerie Bradford: That's why it would have been advantageous to have some of these other agencies that were willing to ap-

pear today, to be here, so that we could ask the appropriate questions to the appropriate witnesses. I apologize for that.

Now, I don't think there's any question that the ArriveCAN app was necessary at the time to expedite the handling and processing of people's travel documents at a very unique time. However, it's always very important to ensure that we get value for money spent for the taxpayers' dollars.

Clearly, the Canada Border Services Agency didn't feel they had the internal capability to develop this app, which is understandable—they're not app developers—but I'm just wondering why they continued to rely on external contract people, who were very expensive, once the app was developed, rather than turning it over and using internal resources. Do you have any insight as to why that's the case?

Ms. Erin O'Gorman: I'll say a couple of words, if I may, and then turn it over to the chief information officer for CBSA.

There are three types of resources: one, very specialized people, whom CBSA, frankly, doesn't need to hire permanently; two, people who are very hard to recruit; and three, people who are just in the habit of continuing to do work. CBSA, at some point, ought to have said, "We need a plan to convert these functions into our staff. We need them for long enough that we need to do that." There are a few different types of resources. I think what we found was that there was an absence of an off-ramp plan and those resources continued to be used.

I'll turn it over to Darryl.

Mr. Darryl Vleeming (Vice-President and Chief Information Officer, Canada Border Services Agency): First, I've only been in the public service for 10 months, so I can't comment specifically about what happened before that. However, what appears to have happened is that contractors did come in, and they weren't necessarily used as effectively as they could be. What I mean is that contractors can provide a very valuable service from a staff augmentation perspective, but they also tend to be more effective when you cross-train your own staff, and then when the project is done, the contractors go away. It appears that didn't happen.

Second, I think Catherine Luelo has previously testified before this committee or OGGO that there's a massive shortage of tech talent in Canada. It is extremely hard to attract and retain that, and that's both in private industry and in government. We really do struggle. At one point, we had 200 and some open positions in CBSA alone, and there are thousands across government, for the new cutting-edge skill set. It is very difficult to attract.... I think it's that combination of things—

• (1625)

The Chair: Mr. Vleeming, I'm going to pause you there. We're well over the time, but I'm sure we'll come back to you for additional answers shortly.

[Translation]

We now go to Ms. Sinclair-Desgagné.

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

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

I'd like to come back to Ms. O'Gorman.

Ms. O'Gorman, you've been the president of the agency for 19 months. You now have the opportunity to tell us how you cleaned things up, in concrete terms. How many employees were disciplined?

Give us information. Give us something we can look into.

Ms. Erin O'Gorman: I wouldn't say that the organization needed to be cleaned up.

[English]

I think it's important to point out that the employees of CBSA are working every day at the front line, across the country, around the world, doing excellent work.

[Translation]

Your question is related to discipline, I believe. I can say that a few dozen harassment investigations are conducted each year within the agency.

[English]

Some of those are founded; some of those are not founded. When they're founded, action can be taken, including discipline, retraining—

[Translation]

Ms. Nathalie Sinclair-Desgagné: You seem to be talking about harassment in general, like one employee harassing another.

However, I'm talking specifically about what Mr. Sabourin had described as wrongdoing that could be widespread corruption within the agency.

You're telling me there's no problem at the agency. Is that correct?

That's a bit of an issue.

Ms. Erin O'Gorman: No, I mentioned the word “harassment”.

[English]

These are misconduct investigations.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Yes, but I'm not talking about harassment. I'd appreciate it if you could answer my questions.

[English]

Ms. Erin O'Gorman: I am sorry. These are misconduct investigations.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Okay, but there's collusion with businesses, for example, in the awarding of contracts. That's what we learned from the Auditor General's report. We also learned that companies are forging signatures and that the RCMP is investigating the matter.

There are a number of levels. First, procurement processes were not followed. Then there's collusion with businesses. Gifts were also accepted. It's not just one or two people. Many people at the Canada Border Services Agency are involved in this matter, not just the two employees who were suspended. Yes, those two individuals are highly implicated and under investigation.

However, you're saying that there's no real problem at the agency. That's a bit of an issue.

[English]

Ms. Erin O'Gorman: No. I was saying that, in any given year, dozens of misconduct allegations are investigated. Many of those are founded and discipline is taken.

I don't know whether there are many employees implicated in receiving gifts from contractors. I can't give you an exact number.

Also, I would point to the Public Servants Disclosure Protection Act. For people who fear reprisal and want to make an allegation, there's a separate body people can go to that itself can investigate any department and protect the people who go to them with allegations.

The Chair: Thank you very much.

We're now turning to Mr. Desjarlais.

You have the floor for two and a half minutes.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to follow up on the nature of how these contracts were entered into.

I think there are lessons learned as to how not only CBSA but also, in this case, Canadians can fall victim to such an atrocity, and how it happens throughout the decades. Canadians know this happens. They know it's happened through the Phoenix pay system. They know these contracts can become huge and it hurts the public service at the end of the day.

The information officer just made mention of talent. For example, information systems technology is very hard to come by in Canada. It's very difficult. It's competitive. You pay a lot of money for it. The civil service, at some point.... We've had testimony in this committee before to the effect that when we had those skilled experts, we found there was a reduction of them throughout a period of time. That reduction largely fed them into the private system, where they can now come back and say, "You need us more than we need you." Then we see these very stiff penalties and requirements when forced to work with them.

This dependency is the issue, in my mind. The rot at the core of the system is that we so dramatically underfunded our civil service that we are now forced into a dependency situation where we are vulnerable to companies like GC Strategies, which used an opportunity to take more and more. In addition, there's a massive failure of our public service to report and to be agile enough to make sure there is enough reporting to make the picture we're talking about today far clearer.

That is the truth, from my perspective, and that's what we need to get to the bottom of. Absent an RCMP investigation, which I think is warranted and required in this work, we're here today to discuss the findings of this audit, which are largely about issues around the public service not reporting.

Let's go back to how these contracts get signed. There were three non-competitive contracts. The Auditor General mentioned those contracts were entered into and likely, from my perspective, influenced by gifts, events and dinners. Those events, gifts and dinners were not reported to the CBSA. Is that correct?

This is to the Auditor General.

• (1630)

Ms. Karen Hogan: We didn't see any evidence that employees who were invited to events reported it to their supervisors. This doesn't mean it didn't happen verbally. There was no documented evidence. I would have expected to see that. It's so a supervisor can put in mitigating measures, if needed, in order to ensure there isn't an apparent or real conflict of interest in the procurement process.

Mr. Blake Desjarlais: That conflict now is very real.

The Chair: Be very brief, Mr. Desjarlais.

Mr. Blake Desjarlais: Sure.

This is on the last contract that was competitive. Given the criticism of those former contracts and the receiving of those contracts, how were they eligible for that contract, and, especially, how could they influence that contract the way they did? We have evidence of that.

Ms. Erin O'Gorman: All I can say is that I don't believe that evidence was available at the time the contract was competed.

The Chair: Thank you very much.

We're turning now to Mr. Genuis.

You have the floor for five minutes.

Mr. Garnett Genuis: Paragraph 1.56 of the report says:

We found that GC Strategies was involved in the development of the requirements that the Canada Border Services Agency ultimately included in the request for proposal.

This means GC Strategies sat down with people in the government and worked out aspects of the nature of the requirements that GC Strategies bid on and then got. This means the process was rigged.

Ms. O'Gorman: can you tell us why the process was rigged in favour of GC Strategies?

Ms. Erin O'Gorman: I wasn't there at the time.

I think what you set out is what the evidence is demonstrating. In terms of the motivation, I don't have enough information to speak to that.

Mr. Garnett Genuis: You agree that the process was rigged, but you don't know why it was rigged. Is that what you're telling us?

Ms. Erin O'Gorman: I'm telling you that the collaboration that you're referring to appears to have taken place and is absolutely inappropriate.

Mr. Garnett Genuis: Would you describe that as rigging the process, though? It pretty clearly is, but I want to hear it from you. Would you describe that as rigging the process?

Ms. Erin O'Gorman: Given the fact that there was one bidder and that bidder collaborated, I would agree that the odds were stacked in their favour. That being said, I don't have any information as to the motivation for that, so I can't speak to it. I wasn't at the agency when that happened.

Mr. Garnett Genuis: When did you first find out about that?

Ms. Erin O'Gorman: I believe it was in the information that was part of the investigation, but I can't tell you exactly when I found out.

Mr. Garnett Genuis: Okay. We'll circle back to that.

Paragraph 1.42 highlights inappropriate invitations and gifts from vendors. Did you ever receive or were you offered invitations or gifts from ArriveCAN vendors?

Ms. Erin O'Gorman: No.

Mr. Garnett Genuis: Was the former president?

Ms. Erin O'Gorman: I don't know.

Mr. Garnett Genuis: Did you ask anyone if the former president had?

Ms. Erin O'Gorman: No.

Mr. Garnett Genuis: Okay.

Did Mr. Doan?

Ms. Erin O'Gorman: I don't know.

I'm letting the investigation that's under way take its course. I am not stepping in front of it and I'm not carrying out my own investigation. I'm relying on my security team and investigators to follow up on these issues.

Mr. Garnett Genuis: I want to follow up on the issue of the internal investigation report. I think I know what is happening on the government end, in that the government has tried to invest a lot of focus on this internal investigation, but the internal investigation is not an independent process. We had the independent investigator here, who confirmed as much. He confirmed that his role involves reporting to, being subject to—in the general sense for his employment—people who may themselves be the subject of suspicion.

We've talked about rigged processes, and we have a situation where the investigation into the rigged process also looks rigged, insofar as the investigator is not independent and is subject, in their position, to decisions of their superiors within the department.

How can Canadians have any faith in a rigged investigation into a rigged process? Why not have an external, truly independent investigator?

• (1635)

Ms. Erin O'Gorman: Mr. Chair, I'm not aware that I am under investigation.

The investigation is being carried out under my authority as a deputy head. In order to carry out my authority, I need an investigative arm. All of our departments have an investigative team.

Mr. Garnett Genuis: If, in the process of these inquiries, you or your predecessor or others in senior positions around you were to be subject to suspicion.... We know there's suspicion insofar as people have come before this committee and said that you've been dishonest to this committee. Surely, an investigator who is subject to your authority would be constrained in fully pursuing those allegations, wouldn't you agree?

Ms. Erin O'Gorman: Mr. Chair, it's unclear why this is being made about me. I am not my predecessor. I am in this job now. I was not here when that happened—

Mr. Garnett Genuis: Well, Mr. MacDonald told this committee that you were not being honest and forthright. You might disagree with that, but that is an allegation against you that's serious—

Ms. Erin O'Gorman: That's not—

Mrs. Brenda Shanahan: I have a point of order, Chair.

The Chair: Just one second, Mr. Genuis.

Mrs. Brenda Shanahan: Mr. Genuis forgets where he is.

The Chair: No, I don't think he does.

Mr. Garnett Genuis: I think you forget where we are.

Mrs. Brenda Shanahan: He thinks he's in government operations or something else.

The Chair: Yes, to be specific about committees, I believe that testimony was made in OGGO.

You have about 10 seconds for a brief question, and then we will hear an answer from Ms. O'Gorman.

Mr. Garnett Genuis: The report identifies that there were 10,000 Canadians falsely, inappropriately sent into quarantine by one out of the 177 versions of the app. What is the total number of people who were sent into quarantine by this app who shouldn't have been?

Mr. Darryl Vleeming: Ten thousand two hundred were given a false notification that they should have been quarantined when they didn't actually need to be quarantined.

The Chair: Thank you very much.

Next, we have Mr. Chen.

I have a note here that you're splitting your time. Is that right?

Mr. Shaun Chen (Scarborough North, Lib.): Yes.

The Chair: Do you want me to notify you at three minutes, or will you do the tee-off?

Mr. Shaun Chen: I'll do the tee-off.

The Chair: Perfect, I just wanted to make sure. Thank you.

It's over to you for five minutes.

Mr. Shaun Chen: Thank you very much, Mr. Chair.

Ms. O'Gorman rightfully stated today that CBSA personnel work very hard on the front lines. We know them when we cross the borders. We know that they do everything they can to keep Canadians safe and protect this country.

Today, we are talking about an issue that is tarnishing each and every one of those workers, that is tarnishing the department, that is disappointing Canadians, because seeing this report from the Auditor General, I personally am utterly disappointed. It is mind-blowing what has happened here. At a time especially when Canadians are grappling with the high cost of living and we are facing unprecedented inflation, the AG has found "Glaring disregard for basic management and contracting practices" with respect to Arrive-CAN, this \$59.5-million project. Even the AG has indicated she is unclear about whether that is the true and accurate number.

Ms. O'Gorman, things have been said today about your role. You have indicated that you were not your predecessor. What would you like to say to this committee and to the Canadians who are watching in terms of what next steps you're going to take to make sure that there is accountability, that this will be properly investigated, and that we will have answers to the questions that have been put forward today? What do you plan to do next?

Ms. Erin O'Gorman: Thank you.

I share your disappointment. I share your disappointment because from my previous position I saw the people of CBSA working very hard to try to make the border work during the pandemic and allow commercial goods to come in, and managing the border in a way that avoided it being clogged up and having an impact on the economy.

That being said, as I said, I share your disappointment that there is such a lack of documentation. If that documentation extended six months after the beginning of the pandemic, I would feel much more comfortable being here to defend that and explain that. However, what didn't happen was a recognition that this was going to go on for more than six months, so we needed to stop, regroup, set a budget, and understand how we were going to keep going at this pace—and the pace was significant. The public health measures were changing on a fairly regular basis and that had to be coded in, that had to be released. Officers had to be trained. A lot of things had to happen. As we said, the lack of documentation is difficult to understand as it extends over that amount of time.

I have a management response plan that I have developed with the team in response to both the Auditor General's audit and the procurement ombud's. I have an audit under way. We have made some significant changes. The fact that we are approving contracts at a committee is probably a “belt and suspenders”. It shouldn't be that a committee is required to oversee decisions that are in people's proper authority. We're going to keep that in place until we have some comfort that the controls are in place, that people understand their roles and responsibilities.

As the Auditor General pointed out yesterday, a lot of the recommendations are variations of following the rules. I will agree with her that the department can do better than that.

• (1640)

Mr. Shaun Chen: Thank you.

To the Auditor General, we have heard that there was a challenge in the department. They were facing an unprecedented situation. Canadians know that we had a COVID-19 emergency. In your performance audit, to what extent did you determine that the emergency that we faced as a country justified the shortcomings?

Ms. Karen Hogan: I said in my opening remarks, in my opening statement—and I still stand by them—that an emergency was not a reason to avoid the most basic processes that should have been there to demonstrate due diligence and accountability to Canadians.

I do recognize that it was a difficult time, but we have looked at other contracts and other procurements throughout the pandemic, and while there were definitely rules that were relaxed and all the hoops weren't jumped through, there was time taken to at least document key important decisions and be able to still be accountable to Canadians. That's all I would have expected to see here from the processes around ArriveCAN.

Mr. Shaun Chen: We still need answers.

Thank you, Mr. Chair.

The Chair: Thank you.

I'm afraid you've left 15 seconds for your partner.

You can ask a lightning question if you'd like.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): I just wanted to say thank you to the Auditor General for her and her team's tremendous work that's shining a light on the serious breach of controls and breach of code of conduct.

Thank you very much for your tremendous work.

The Chair: Thank you.

I turn now to Mr. Barrett.

You have the floor for five minutes.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Ms. O'Gorman, my questions are for you. The Auditor General has said that your department is responsible for ArriveCAN.

Canadians need to be able to have confidence in their public institutions. The work that CBSA does is incredibly important. Border service officers are the frontline defence for our country for so many different threats. The importance of their work can't be overstated.

The questions for the head of the CBSA are important so that we can have an understanding of whether our confidence as Canadians is well placed. We've seen, and you said, that much of what's happened was not under your leadership, but an evaluation of what's gone on and what's going on at the CBSA is important.

When did you find out the total amount of the contracted work that was given to GC Strategies by CBSA for ArriveCAN?

Ms. Erin O'Gorman: I don't have a date for that.

Last fall, as we were gathering information in response to various questions, and in response to my questions to understand, when it was clear that accountability had to be given for ArriveCAN.... I don't have a date when I received that information.

• (1645)

Mr. Michael Barrett: This week, the Auditor General reported a number in excess of \$19 million to GC Strategies.

When you've appeared at committee, the other number offered by parliamentarians in questions to you was about \$11 million. CBSA never corrected parliamentarians or offered that this number was incorrect in verbal or written submissions.

Why is the number the Auditor General is offering this week, which is in excess of \$19 million, not the number that CBSA officials, including yourself, gave to committee in their testimony at numerous appearances across numerous committees?

Ms. Erin O'Gorman: The information on the costs for ArriveCAN that included contracting costs was built with the information that we had at the time. They related to the health measures of the ArriveCAN app and, more broadly, supporting material, funding to SSC and so on. The Auditor General has looked at the app, including after the health measures were removed from the app and when it was used for the advance declaration function. Our scope and our timelines are different. I provided the best information that I had at the time.

Our contracts are also published proactively, so there was no attempt to obscure GC Strategies contracts.

Mr. Michael Barrett: I think the problem we have here is that the work that GC Strategies has done has only really been brought to light through the work of the Auditor General.

That work includes writing the contract requirements to the exclusion of other bidders. That's some of the work they've done. When they write a contract, who gets awarded the contract? They do.

There has been obscurity on the part of the CBSA on how the contracting processes worked and the amounts that have been given. The amounts have been revised up several times through reporting by the procurement office, the procurement ombud, the Auditor General, the work of parliamentary committee and through ATIPs. This information is not coming proactively from the CBSA. Every step of the way we're pulling this out. It seems like daylight is the last thing the CBSA wants to shed on this.

The subject of the failure to report gifts received by contractors or prospective contractors has also come to light.

Have you ever been offered any gift or benefit by GC Strategies or people involved with GC Strategies personally?

Ms. Erin O'Gorman: No.

Mr. Michael Barrett: When did you learn about the gifts that were offered to people who work for CBSA? When did you learn about this issue?

Ms. Erin O'Gorman: Is the reference to the hospitality that was offered?

Mr. Michael Barrett: Yes, the free drinks and dinners that were offered by the two guys who work out of a basement and were made multi-millionaires on the backs of people who are lined up at food banks across the country in exchange for—

The Chair: I'll allow an answer.

Go ahead, Ms. O'Gorman.

Ms. Erin O'Gorman: I don't have a date when I was made aware of that, but as you know, it was part of the internal investigation. It came to light as a result of the internal investigation.

The Chair: Thank you very much.

Ms. Khalid, you have the floor now for five minutes, please.

Ms. Iqra Khalid: Thank you very much, Chair, and to the witnesses for being here today.

At the outset, I will say that earlier today at the ethics committee, members from the Conservative Party were able to ask questions of PSPC officials on this very topic, ArriveCAN, rather than the topic that was being studied. We here in public accounts are being denied that privilege to be able to have both of these officials together to ask these questions.

Ms. O'Gorman, perhaps I'll start with you.

Did you receive a briefing on the ArriveCAN file from the former president at the time you transitioned over?

Ms. Erin O'Gorman: No.

Ms. Iqra Khalid: Other than ArriveCAN, how did you transition into your role?

Ms. Erin O'Gorman: I had a general briefing with the previous president, but I had briefings from the team that was supporting me when I got into the job.

Ms. Iqra Khalid: Thank you.

Are you at all surprised by the findings in the AG's report of yesterday?

Ms. Erin O'Gorman: I am.

Ms. Iqra Khalid: I appreciate that the report only came out yesterday, but can you share any plans the CBSA has to address these recommendations?

• (1650)

Ms. Erin O'Gorman: Sure.

When I say I'm surprised, I'm not surprised entirely at what the Auditor General found, because I've been finding that. As I understand how the department was working, the fact that there was a path from the IT group straight into procurement at PSPC, that's not a best practice.

As I was understanding and looking at the information that was available and wasn't available, I saw that there were issues, and I've taken action. I will continue to take action, and the Auditor General and the procurement ombud have put a finer point on that.

Ms. Iqra Khalid: Thank you for that.

I will echo the concern of my colleagues and the disappointment, because it really does tarnish the very hard work that CBSA officers on the front lines put in day in and day out to keep us safe, to keep our country moving, to keep goods flowing through and to provide that support to Canadians.

I think there's a lot of work that CBSA needs to do to rebuild that public trust. Ms. O'Gorman, have you taken any steps now to try to start rebuilding that public trust?

Ms. Erin O'Gorman: Absolutely. We will be transparent in the actions we're taking. We will report on what we're doing. We're committed to implementing all of this in this calendar year.

I would just note more broadly, and to the comments that were made, that I do believe the actions of border service officers day in and day out are critical to maintaining that trust, and that's what they're doing.

Ms. Iqra Khalid: Thank you.

I hope that we can follow up as you build that plan to build that trust. I think it would be prudent for this committee to keep updated on that.

Ms. Hogan, if I may turn to you, my colleague across the way, Mr. Brock, referred to an ATIP with respect to the former president and GC Strategies. Are you aware of that document? Were you aware of that question that Mr. Brock asked?

Ms. Karen Hogan: Yes, our team has seen that document. Absolutely.

Ms. Iqra Khalid: Can you describe the context of it? We haven't seen that document ourselves.

Ms. Karen Hogan: I have looked at it. It looks like a briefing note for a committee appearance. I'm not sure who the briefing note is for. I don't know who the "my" is in the statement. It appears to be someone who was going to come to testify at a committee, and I'm not aware if that appearance even occurred.

I would have read the "my" to be the directorate or the branch that was responsible for the implementation and development of ArriveCAN, but again that wasn't... It was provided, I think, through information that a committee had.

When we started our audit, not only did we look at the records that the Canada Border Services Agency had, but we also went to parliamentary committees that had been studying this to get their information so that we could cross-reference and make sure we had a comprehensive list of documents.

Ms. Iqra Khalid: Thank you.

To clarify, Ms. Hogan, do you believe that corruption is rampant in the CBSA, or is this a matter of a few bad apples, or is it just bad documentation during a difficult time? Can you provide that clarity?

Ms. Karen Hogan: I'll leave the decision as to whether an action was of a criminal nature to the authority on that, which is the RCMP.

Ms. Iqra Khalid: Thank you very much.

Those are my questions.

The Chair: Thank you very much.

[Translation]

It is now Ms. Sinclair-Desgagné's turn.

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

Ms. Nathalie Sinclair-Desgagné: I have to say that I'm starting to get upset hearing and seeing my colleagues across the way really trying to minimize what was revealed in the Auditor General's report by saying that this was two bad apples, or maybe it was just because times were tough during the pandemic and maybe a little misconduct is really nothing to worry about. Do they really think that at this point?

Ms. Hogan said that this was the worst report she had seen in her career as Auditor General. I think I really have a problem with them trying to minimize these actions right now.

We're talking about people not following processes after they have been warned by Public Services and Procurement Canada. We're talking about collusion with businesses, not that there wasn't enough time. No.

GC Strategies helped draft one of the RFPs that was used to offer them several million dollars. So it's collusion, if not worse, and it's a huge problem. There have been a number of references to gifts being accepted and not reported to the authorities.

I'll tell you one thing: I spent my career in consulting firms. I worked in the field for eight years. In the three consulting firms I worked for, I never won a single contract without submitting a proposal. Whenever I entered into agreements with public servants or teams in companies, there was more than one person involved in the process. It wasn't just the CEO; entire teams were involved.

Criminal offences have likely been committed, so we're not talking about two bad apples, but about a more general attitude within an agency funded directly with public funds. This is a very important issue.

I'd like to know to what extent the ministers responsible are involved. Personally, if I were a minister—and that won't happen at the federal level—and I had heard about anything of this magnitude, I would have followed up weekly with the agency, with you, Ms. O'Gorman.

Have you been involved in frequent follow-up on this important issue?

• (1655)

[English]

Ms. Erin O'Gorman: The minister has made clear his expectations. I have told him of my plans to fix it.

[Translation]

Ms. Nathalie Sinclair-Desgagné: When did you do that?

[English]

Ms. Erin O'Gorman: I make no assumptions about the degree to which he is not concerned about this. I think he's very concerned.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Has the minister followed up frequently?

[English]

Ms. Erin O'Gorman: [Inaudible—Editor]

[Translation]

Ms. Nathalie Sinclair-Desgagné: No. I take it he has not.

The Chair: Thank you very much.

[English]

Mr. Desjarlais, you have the floor now for two and a half minutes, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to turn our attention to section 1.51 of the report:

We found that Public Services and Procurement Canada, as the government's central purchasing and contracting authority, challenged the Canada Border Services Agency for proposing and using non-competitive processes for ArriveCAN and recommended various alternatives. These alternatives included running a shorter competitive process (for example, 10 days) or incorporating shorter contract periods with a non-competitive approach.

This is section 1.52 of the report:

Despite alternative options proposed by Public Services and Procurement Canada, and statements from Canada Border Services Agency officials that other vendors were capable of doing the work, the agency continued to use a non-competitive approach.

It is troubling, I think, to me and many Canadians to know that there was in fact someone who raised a red flag, and the red flag was dismissed. This is another area of serious concern for Canadians, to know that when our checks and balances are in fact present, there's an ability, even, for CBSA to have waived these requirements or waived these recommendations or however that went down. It's inappropriate that the concern was raised and that officials decided it was bad advice, or however they argued those points.

To the Auditor General, on this aspect of it, what evidence did you receive that gave you the impression that they did not take the advice of Public Services and Procurement Canada?

Ms. Karen Hogan: I might ask Mr. Hannoush to add to that, but if I can, Mr. Chair, I would just like to clarify the source of the document from the previous question that I had. We received that document directly from Mr. MacDonald during our audit and not from information from the other committee. I thought it was important to make sure that my testimony was accurate.

What we expected to see was someone making the decision and why you would go in a certain direction or not. The decision to use a non-competitive contract is an important one that should be well documented. While there were officials at CBSA who told us that there were other vendors who could potentially do this work, it was still sourced first to GC Strategies, but that documentation is very thin.

I'm going to see if Mr. Hannoush wants to add anything to it. It really was that this went forward because the contract was there.

Mr. Blake Desjarlais: Was there any evidence to suggest that—

The Chair: Mr. Desjarlais—

Mr. Blake Desjarlais: —those vendors were the same vendors who—

The Chair: Mr. Desjarlais, you're at your time, but I will allow for a brief answer, please, from Mr. Hannoush.

Ms. Karen Hogan: No, he had nothing further to answer.

We made the statement because the contract was awarded to GC Strategies.

The Chair: Pardon me. That's fine. I misunderstood.

Mr. Desjarlais, your time was out, and I was going to allow a response.

Mr. Blake Desjarlais: Thank you, Mr. Chair.

The Chair: I appreciate that.

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

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

To go back to you again, Ms. O'Gorman, are you aware that the agency is under investigation by the Information Commissioner currently? Is that a yes?

• (1700)

Ms. Erin O'Gorman: I don't know what you're referring to.

Mr. Larry Brock: You would have received notification from the Information Commissioner that your agency is under investiga-

tion because of delayed requests in terms of complying with ATIP requests from Mr. MacDonald. Do you acknowledge that now?

Ms. Erin O'Gorman: I didn't know that it related.... No, I wasn't aware of that.

Mr. Larry Brock: Yes, your agency is delaying the release and has delayed the release for several months without proper explanation. That's why the Information Commissioner is investigating you.

Now, going back to another issue, pursuant to an Order Paper question brought in the House by a colleague of mine, between March 2020 and September 2022 eight executives at the Public Health Agency of Canada who worked on the "ArriveScam" app were bonused \$340,000, while taxpayers—

Mrs. Brenda Shanahan: Mr. Chair, I have a correction.

The Chair: I'm sorry. Is this a point of order?

Mrs. Brenda Shanahan: Yes. It's a point of order because the proper name of the app is "ArriveCAN".

Mr. Larry Brock: That's not a point of order—nice try.

The Chair: Look, folks. Let's stay on track. It is my intention to get through another round. We'll go over by a few minutes, but I'd like to stay on track to give members another full round.

Mr. Brock, you have the floor. You have four minutes left, please.

Mr. Larry Brock: Eight executives at the Public Health Agency received commissions of \$340,000 with this app that has cost taxpayers in excess of \$60 million. Your agency did not release any details to that Order Paper question as to how much in bonuses was paid out to your executives. Do you have an answer as to why you didn't respond and/or which executives at the CBSA were bonused?

Ms. Erin O'Gorman: The information in terms of bonuses and performance pay is posted on the website. I will not give specific individuals' remuneration information.

Mr. Larry Brock: Why?

Ms. Erin O'Gorman: It's covered by the Privacy Act. That's their personal information.

Mr. John Nater (Perth—Wellington, CPC): I have a point of order, Mr. Chair.

The Chair: Yes, Mr. Nater.

Mr. John Nater: As the grand inquest of the nation, this committee is entitled to information and to call for papers and documents. It is incumbent upon Ms. O'Gorman, on penalty of contempt of Parliament, to respond to the questions of this committee—

The Chair: That actually is not a point of order.

Ms. O’Gorman, I will just remind you that in fact Parliament supersedes in its request any privacy laws that you might feel you’re subject to. If papers are asked for, or if information is requested, you should be aware of Parliament’s right to ask for, request and receive such documents.

Mr. Larry Brock: How much time do I have left?

The Chair: You have three minutes left.

Mr. Larry Brock: Ms. O’Gorman, at your agency, which is at the centre of this scandal and which, in my opinion, has brought the entire public service under disrepute, how many executives—and how much money—were bonused during the rollout of this particular app?

Ms. Erin O’Gorman: I don’t have that information with me.

Mr. Larry Brock: Will you provide that to us?

Ms. Erin O’Gorman: I take note of the request.

Mr. Larry Brock: The answer is probably yes, that some executives were bonused and received commission for their work.

Ms. Erin O’Gorman: With regard to the number of people who received bonuses at the CBSA during the pandemic, that information is available online.

Mr. Larry Brock: So, the answer is yes, executives received bonuses, and you’ll tell us exactly who and how much.

Ms. Erin O’Gorman: I take note of the question.

Mr. Larry Brock: Thank you.

Mr. Hannoush and Ms. Després, I understand that you interviewed Cameron MacDonald, as well as Antonio Utano. They furnished you with the details regarding that ATIP request. To answer the question of Ms. Hogan as to who that person was who made that request.... You knew, as supplied by Mr. Utano and Mr. MacDonald, that this person was Minh Doan.

Did you share the details of the identity of that person with Ms. Hogan?

Mr. Sami Hannoush (Principal, Office of the Auditor General): Yes. We did meet with Mr. MacDonald. We did take into consideration the materials that were provided to us as part of that conversation. Subsequently, as Ms. Hogan has indicated, we did discuss that specific document that you referenced earlier in the meeting.

Mr. Larry Brock: Did you specifically inform Ms. Hogan that the person who was identified as “I take responsibility or my office” was Minh Doan, yes or no, sir?

• (1705)

Ms. Karen Hogan: Sami and I talked about this. We wondered whether it was Ms. Belanger or whether it was Mr. Doan. It was unclear from the information.

Mr. Larry Brock: Did you seek clarification from the CBSA?

Ms. Karen Hogan: I’ll have to ask Sami if he sought clarity.

Mr. Sami Hannoush: We did not, no.

Mr. Larry Brock: Thank you.

I’ll cede to Mr. McCauley.

The Chair: You have 50 seconds.

Mr. Kelly McCauley: Just very quickly, I want to read a line from the Information Commissioner regarding the ATIP request. It says that the CBSA “improperly responded that it did not have records responsive to the above-noted access request”.

Now, you’re aware of the concerns expressed that Mr. Doan has deleted emails. I’m just curious. How does your department respond? With all this going on—deleted emails, an investigation—how is it that your department “improperly responded that it did not have records responsive to” an ATIP request specifically on Arrive-CAN?

Ms. Erin O’Gorman: I’m not aware of who makes the ATIP requests. If I look confused, it’s because—

Mr. Kelly McCauley: But your department improperly—

The Chair: Mr. McCauley.

Ms. O’Gorman, you have the floor, please.

Ms. Erin O’Gorman: I will look into that investigation. I don’t have any information on it now.

We take our ATIP responsibilities extremely seriously. We have a very high volume. I will look into those concerns.

The Chair: Thank you very much.

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

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

Like many of my colleagues here on this committee, I’m surprised and disappointed at the lack of accountability and the missing information. I would like to clarify that no one here is minimizing anything contained in this report.

I would like to ask you why the CBSA’s own procurement directorate was not involved in the contracting process.

Ms. Erin O’Gorman: There seemed to be an ability of the individuals in certain areas or maybe all areas of the IT group to deal directly with PSPC on contracts. That’s not a best practice.

I have established and elevated the role of the procurement directorate to play its proper function in accordance with policy, which is to receive requirements from the various business owners across the department and develop procurement plans, to the extent that procurement can take place within the CBSA’s authority to take the lead on that, or interface with PSPC. That wasn’t happening. That is now the requirement. We have a bolstered and more senior level responsible for procurement in the department.

Ms. Jean Yip: Why did the CBSA continue to award contracts after PSPC and CBSA officials provided alternative options?

Ms. Erin O'Gorman: As I have indicated, under my leadership, we will work with PSPC. We will not discount their feedback. We will take their concerns extremely seriously, and we will work collaboratively with them.

Ms. Jean Yip: Isn't there always a process or a requirement for people to disclose relationships with contractors?

Ms. Erin O'Gorman: It's absolutely part of our code of conduct. The fact that, in response to the audit and the procurement ombud's report, we put in place a requirement that it be disclosed suggests that people, right now, don't understand their obligations.

I would like to think everybody understood the code and carried out the requirements of the code. It looks like that's not the case. We are going a step further and requiring people to make these disclosures so there's no ambiguity when questions arise.

Ms. Jean Yip: What are the consequences for those who don't disclose these relationships?

Ms. Erin O'Gorman: It's a new process, but this is inconsistent with the code. We have the ability to issue discipline if we understand what the underlying issue is. Founded issues might be somebody needing training or somebody understanding their obligations and disregarding them, in which case discipline is available to us.

Ms. Jean Yip: Can you tell us about the new assurance reviews that CBSA will begin conducting annually?

Ms. Erin O'Gorman: It speaks to the absence of controls.

As the deputy head, I'm not going to look at every document that comes through, but I need the ability to have some assurance that files are complete and that people are following their roles and responsibilities. This is a fairly standard process in the public service. There are policies and guidance related to that.

I'm making sure our assurance function meets all of those obligations and more, and provides regular updates on the extent to which some of the gaps that existed have been closed.

• (1710)

Ms. Jean Yip: Who is going to make up the new contract review board?

Ms. Erin O'Gorman: That's chaired by my executive vice-president and comprises our executive team as well as members of the procurement team. It's quite a large body and it meets on a regular basis to keep the business running and make sure the challenge function takes place across the board.

Ms. Jean Yip: How long will the members serve on the board?

Ms. Erin O'Gorman: As long as they're in their positions.

Ms. Jean Yip: What tools will they have if there's wrongdoing that happens?

Ms. Erin O'Gorman: There's quite a well-established mechanism within CBSA for addressing misconduct. It's similar to that of other large organizations.

I'm not concerned that the committee and chair won't be able to address wrongdoing. It was more the challenge function and the broader accountability for procurement that were missing in the agency.

The Chair: Thank you very much.

This will be our last full round.

Mrs. Kusie, you have the floor for five minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you very much, Mr. Chair.

Thank you very much to our witnesses for being here today.

I'll first go back to the report and finding 1.41.

Auditor General, this section says:

We reviewed available records and could not determine which agency official made the final decision to select GC Strategies.

However, as my colleagues indicated here today, there is documentation provided that shows the previous CBSA head, in coordination with the CIO, came to this decision.

I'm wondering why you did not come to this decision, given this piece of documentation. Why do you think this is, if you believe this piece of documentation was not provided to you, if you were not able to discern who came to this final decision based upon this piece of documentation? Why were you not able to determine who made the final decision to select GC Strategies, given the documentation my team presented here today?

Ms. Karen Hogan: The source of the documentation is one of our concerns. It wasn't maintained in official corporate records. I would expect it to be there. It is very unclear who the individual is speaking to. It appears to be a briefing note for a committee appearance. I have heard no testimony around it.

It remains that whoever decided to award a certain contract needs to be properly documented. What we do have on file is that a contract requisition was signed by the executive director. Exercising delegated authority in the public service comes with responsibility and accountability.

Mrs. Stephanie Kusie: Who? Who? Who?

Ms. O'Gorman, we've also discussed today the missing documentation of Mr. Minh Doan. The Auditor General, in her testimony yesterday, said that she can't determine.... It could have been either deleted or destroyed. Again, for this committee and for Canadians, can you please verify the information that you have relative to this documentation of the former CIO specifically?

Ms. Erin O'Gorman: We have received allegations that emails were deleted. Those allegations were provided to our director of security, and there is an investigation into those allegations.

Mrs. Stephanie Kusie: You can't provide anything further at this time, other than these allegations.

Ms. Erin O'Gorman: They're being investigated.

Mrs. Stephanie Kusie: Who are they being investigated by, please?

Ms. Erin O’Gorman: They are investigated by members of our security team under the direction of Monsieur Lafleur.

Mrs. Stephanie Kusie: Will you be receiving any update on these investigations prior to the final release of the report?

Ms. Erin O’Gorman: I don’t know. If there is material information that I should be made aware of, I’m confident they will provide it to me, as they have in other investigations.

• (1715)

Mrs. Stephanie Kusie: When is this report expected to be finished?

Ms. Erin O’Gorman: As I said, if there is information, I’m confident they’ll give it to me. I don’t know when, and I don’t know if there will be information before the final report. It’s under way. I don’t always receive information before a final report. Sometimes I do, but it’s not always the case.

Mrs. Stephanie Kusie: Sometimes, apparently, you don’t.

Ms. O’Gorman, in this committee, in this Parliament right now, Canadians are absolutely seized with the ArriveCAN app—the “ArriveScam” app—because we have a minimum of \$60 million that has been spent, but as a result of incomplete documentation it could be more than \$60 million.

Of the invoices submitted by contractors, 18% did not have supporting documentation. As uncovered by the Auditor General, who is here today, “\$12.2 million...could be unrelated to ArriveCAN.” You yourself, in this meeting alone, were unaware of contempt of the information officer. You were unaware of bonuses awarded to two employees, who have now been suspended—the most grave action in the public service. You didn’t inform the AG of the RCMP investigation. You didn’t inform the government operations committee in November 2022 of the RCMP investigation of GC Strategies.

CBSA has 14,000 employees. Do you believe you still have their confidence before us here today?

Ms. Erin O’Gorman: Once again, Chair, I’m not sure why the need to impugn my integrity.

I will correct—

Mrs. Stephanie Kusie: Do you think you have their confidence?

Ms. Erin O’Gorman: I’m going to correct something that was said. When I—

Mrs. Stephanie Kusie: I’m asking you this: Do you think you have their confidence here today?

Ms. Erin O’Gorman: Mr. Chair, may I correct one of the statements?

The Chair: Mrs. Kusie, your time is almost up, and—

Mrs. Stephanie Kusie: Then I’ll end with this: Do you believe you still have the confidence of the minister and of this government?

Thank you very much, Mr. Chair.

The Chair: You have the floor, Ms. O’Gorman.

Ms. Erin O’Gorman: It’s false to say that I didn’t inform the government operations committee of the RCMP investigation. When I appeared, nothing had been referred to the RCMP.

Mrs. Stephanie Kusie: [*Inaudible—Editor*]

The Chair: Mrs. Kusie.

Ms. Erin O’Gorman: That’s not correct. I appeared on November 14, and the referral to the RCMP was formally done in January; it was informally done in December and late November. We hadn’t referred anything to the RCMP when I appeared, so it’s not correct to say that.

I know the committee had tried to hold me in contempt for that. It’s incorrect that I did not give the committee relevant information. Nothing had been referred to anybody at that point.

The Chair: Thank you very much.

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

Ms. Iqra Khalid: Thank you very much, Chair.

While I have expressed my own disappointment in what has happened with this app, I think it’s improper for members to put words in my mouth, to say that I’m negating or somehow belittling the situation all in all. I’m asking reasonable questions and looking for reasonable solutions going forward. I’m sorry if I haven’t feigned outrage, as some of my colleagues have.

I do respect the witnesses who are present with us today. I’m hopeful we can continue to work together to find those solutions, to rebuild that trust and to ensure that we get to the bottom of what happened here and where we go going forward.

Ms. Hogan, as you were going through the audit process, did you find that all departments were co-operative with you? Did they give you all the information you were looking for? Were they open and forthcoming?

Ms. Karen Hogan: Yes. We received all of the information we requested. At times, it was rather voluminous, and the turnaround time was very quick.

Ms. Iqra Khalid: Thank you. I appreciate that.

It is disappointing that there was lack of documentation for you to review to come to a better conclusion, and we recognize that. As Ms. O’Gorman has said, these are issues that I’m sure the CBSA will take seriously when rectifying things going forward.

Ms. O’Gorman, there have been questions back and forth to you about discrepancies in your testimony at OGGO, a different committee. Can you please clarify why there are discrepancies, or if there are any?

Ms. Erin O’Gorman: I testified truthfully with the information I had every time I appeared at committee. It’s unclear to me why there are questions with regard to my truthfulness or any discrepancies.

I’m happy to address them. They’re being referred to in general ways, and it’s very hard to address them without precision.

• (1720)

Ms. Iqra Khalid: Thank you. I appreciate that.

I would hate for you to be pushed off a glass cliff. We always look for strong leadership in these types of positions. I hope you are able to take that leadership and rectify these challenges.

Now, there were some questions raised with respect to executive bonuses. Ms. O'Gorman, you spoke about the executive bonuses. Obviously, Canadians are rightly concerned about how our taxpayer dollars are used. They would not agree with providing executive bonuses to anyone who's been found guilty of wrongdoing.

If the investigation uncovers wrongdoing in any part by the executives of the CBSA, is there a process whereby you would reclaim those bonuses? How would you fix that situation?

Ms. Erin O'Gorman: It's exactly as you said. There is a process. If information comes to light that would call into question the bonus or, frankly, the assessment of the individual, which would be tied to their remuneration, there is a clear policy within the Treasury Board to be able to claw that back.

Ms. Iqra Khalid: Thank you very much.

I'll use the remainder of the time, Chair, if I may, to ask the clerk a question.

With respect to the officials who were cancelled with short notice today, when will they be reinvited back to this committee so that we can ask our questions of them as well?

The Chair: That has not been determined yet, Ms. Khalid.

You still have 50 seconds.

Ms. Iqra Khalid: When will that be determined, Chair?

The Chair: I'm going to see what their availability is.

Ms. Iqra Khalid: I'm hopeful we will discuss that with the other members of the committee before we decide when to invite them.

The Chair: You're hopeful. I've noted that.

Ms. Iqra Khalid: Thank you, Chair.

The Chair: Thank you.

[Translation]

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

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

Let's compare ArriveCAN with similar apps in other countries, for example.

For a population more than twice that of Canada, France paid 9 million euros for its application, or about \$12 million Canadian. In Germany, the same app cost \$29 million Canadian for a population of 83 million people.

Ms. O'Gorman, according to the report, between July 2022, when you took up your duties, and March 2023, when the Auditor General had a more complete picture, almost \$12 million was spent on the ArriveCAN app. Twelve million Canadian dollars is as much as the total cost of a similar application for a population of 70 million people, just since you've been in your position.

What are your thoughts on those costs, and why didn't you just internalize them and save taxpayers some money?

[English]

Ms. Erin O'Gorman: I'll say a few things. One, we are always looking at what our allies are doing and trying to take from them any innovations, but I don't think comparing the population is necessarily accurate in terms of... I'm not aware of what their requirements are versus the requirements that we had, so I can't—

[Translation]

Ms. Nathalie Sinclair-Desgagné: The requirements were the same. It had to do with proof of vaccination, entering and leaving the country. It's not necessarily based on population, but that provides a good approximation of the number of people using the app. In information technology—you may not be aware of this—the main factor to consider in developing a new application is the projected number of users.

[English]

Ms. Erin O'Gorman: I'm not in a position to comment on the details of their work versus ours.

I will say that for the part of ArriveCAN we are currently using, the submission of the advance declaration, going forward the estimated cost is approximately \$3 million per year. I can hand it over to my colleague to provide those details.

• (1725)

Mr. Darryl Vleeming: As President O'Gorman said, population isn't the biggest driver of the cost of developing an app. Unfortunately, CBSA has a tremendous amount of technical debt. The capability and cost to link a modern application to it is very expensive, and that was a primary driver for it.

Additionally, because our provinces are so separate—each had its own vaccination certificates—that drove up the cost significantly as well.

[Translation]

The Chair: Thank you very much.

[English]

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

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I do want to return to the report again, which I think is the reason all of us are here.

On page 7, exhibit 1.2, it says “The Canada Border Services Agency continued to rely heavily on external resources to develop ArriveCAN from April 2020 to March 2023”. It cites, of course, the information related to both external and internal costs as it relates to this project in particular.

It notes, at least in my reflection of this information, a very serious lack of internal capacity and IT capacity that has put CBSA in a position where they must accept a contract. This is not new in the federal public service. In my perspective, we’ve witnessed these kinds of cuts since the nineties. We’ve seen consecutive Liberal and Conservative governments cut down the public service. We see austerity, and when we have austerity to the public service, it’s my firm belief that we are now vulnerable to these kinds of very real challenges present to a government.

I know it’s not something we can fix just like this, with this report. It’s a much deeper issue. I believe the rot is very deep, and this level of reliance and dependency on external contractors has put the government in direct risk, and not just in the CBSA. I fear this could exist in any instance of outsourcing across the government.

My concern is how we properly address it with the resources that we have, and how we ensure that issues like outsourcing are dealt with seriously and the extreme operating deficit of the government is actually taken into account. I think this is a core part to this discussion that, absent the RCMP investigation, which I’m in support of, we need to focus on in this work. We need to focus on the fact that this dependency has left a critical vulnerability of the government, which has been exploited in the Phoenix pay system of the former government, and now we have another example of private entities taking direct and very purposeful intervention with the public service in order to award themselves contracts.

That is what it looks like to me. GC Strategies was emailing CBSA officials, telling them what to put into a contract, and then telling them that they were going to get it and all they had to do was rubber-stamp it. That is simply unacceptable, and I’ve heard today that it’s unacceptable for everyone here.

Now I want to get to the deeper issue—

The Chair: Ask a very quick question, please.

Mr. Blake Desjarlais: To the Auditor General, how can we find a path out of this direct reliance, which you say is an overreliance, on outsourcing? In your mind, is it a perceived risk to a future instance like this?

Ms. Karen Hogan: I think I would point to a few of the reports that we’ve issued on aging IT infrastructure. I think it’s taken the public service decades to get where it is, and there needs to be a path to go forward, as you say.

I think some of it is about ensuring that contracts related to IT have a clause and have requirements where there is transfer of knowledge and expertise, or skill set at least, to the public service. We need to upscale the public service in order to be able to rely less on external expertise going forward.

The Chair: Thank you very much.

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

Mr. John Nater: Thank you, Chair.

Thank you to our witnesses for joining us here today.

Ms. O’Gorman, as of today, February 13, 2024, do you have trust in those to whom you’ve delegated authority in your agency?

Ms. Erin O’Gorman: I’m in a “trust but verify” frame of mind.

I have, since I arrived, been putting in place some of that which was missing. In fact, there were many excellent audit recommendations, not from the Auditor General but internally, that had not been implemented; 53 of those have been implemented.

There is catching-up to do. I’m putting the pieces in place. I’m responding very specifically to the recommendations of the Auditor General and the procurement ombud, and I suspect my own internal audit will come up with more recommendations.

We’re not there yet. We’ve put some things in place, some “belt and suspenders” in certain cases that I hope one day will no longer be needed.

• (1730)

Mr. John Nater: The lack of a clear “yes” is troubling.

When did you receive the preliminary report from the Auditor General?

Ms. Erin O’Gorman: I received the principal draft on August 3, and then I received the second DM draft in December.

Mr. John Nater: Between December and now, have there been any disciplinary measures within your department related to the draft you’ve seen from the Auditor General?

Ms. Erin O’Gorman: I’ll just complete my answer. I also received a draft on the 18th.

Your question is whether I have undertaken any—

Mr. John Nater: Have there been any disciplinary measures within your agency since you saw the drafts of the Auditor General’s report?

Ms. Erin O’Gorman: No.

Mr. John Nater: Okay.

Has any additional information been provided to the RCMP from CBSA since you saw the draft reports from the Auditor General?

Ms. Erin O’Gorman: I am not interfacing with the RCMP, and the people who are are not reporting to me about their interface with the RCMP. If the RCMP wants information, and they may well have sought it, that is not being reported to me.

Mr. John Nater: Have you met with the RCMP?

Ms. Erin O’Gorman: No.

Mr. John Nater: Earlier this week, we received a letter from you dated February 7, 2024. Are you aware of this letter? It's signed by you. It refers to Deloitte being in the "penalty box".

Ms. Erin O'Gorman: Was it signed by me?

Mr. John Nater: Yes. You sent a letter to this committee, signed by you—

Mrs. Brenda Shanahan: I have a point of order.

The Chair: Wait just one second, Mr. Nater.

Go ahead, Mrs. Shanahan.

Mrs. Brenda Shanahan: Is this a letter that's been provided to the public accounts committee?

Mr. John Nater: Yes. It's dated February 7. We received it yesterday from our clerk.

Are you aware of this letter? In it, you state:

The CBSA is unable to validate testimony provided to the Standing Committee on Government Operations and Estimates on November 7, 2023, that Deloitte was in the "penalty box" in the spring of 2020.

Are you not aware of this letter?

Ms. Erin O'Gorman: We are unable to validate that. The person who was alleged to have said it, my predecessor, also addressed that at committee.

Mr. John Nater: So you stand by that, that you're unable to validate that Deloitte was in the "penalty box".

Ms. Erin O'Gorman: I have seen no evidence of that statement, and I wasn't around—

Mr. John Nater: You've seen no evidence because, obviously, emails and documents are non-existent.

Can you tell me with certainty that, among senior executives at CBSA, there wasn't an unwritten, spoken word that Deloitte was in the "penalty box"?

Ms. Erin O'Gorman: Since I have been in this position, absolutely not, I have seen no evidence that it existed before, and I would point to the testimony of the person alleged to have said it.

Mr. John Nater: Whose emails were also deleted....

Moving on, paragraph 1.74 of this document from the Auditor General expresses grave security concerns that the "cybersecurity assessments" were undertaken by people without "a reliability security status". Can you confirm to me today that all contractors and subcontractors across CBSA have the requisite security clearance?

Ms. Erin O'Gorman: Mr. Chair, I'm just going to address the reference to "whose emails were also deleted". I don't know that that's the case, and I don't know what that's in reference to. I just don't want to let that hang out there. If there's more precision.... I'm not aware of more emails having been deleted.

In terms of ArriveCAN, the names that were on task authorizations for people who did work had the requisite security clearance. Four names were found that were not on task authorizations, where security clearance could not be confirmed.

Mr. John Nater: Mr. Chair, my question was this: Can you confirm today that, across the agency, there are no contractors or sub-

contractors who are operating without the requisite security clearance? Can you confirm that?

Ms. Erin O'Gorman: The information I have is that they do have the requisite security clearance.

If there's something in particular that you're referring to—

Mr. John Nater: I'm referring to across the agency. There is an appalling lack of documentation across your agency—

The Chair: Thank you, Mr. Nater. That is your time. The question was answered.

I'm turning now to Mrs. Shanahan.

You have the last five minutes, please.

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

I'd like to go back to the issue of the challenge function and exactly how that would work.

Again, I'm very preoccupied by the fact that, yes, this happened, but also that the normal checks and balances did not seem to be in place. We know human nature. In any organization, you're going to have some bad apples, but we need to understand how an organization protects its operations from that happening again.

In the Auditor General's report, paragraph 1.48 says:

We found that the Canada Border Services Agency's Information, Science and Technology Branch, which led the development of the ArriveCAN application, directly engaged with Public Services and Procurement Canada for contracting purposes. There was no evidence that the agency's own Procurement Directorate was regularly involved in the contracting process.

Ms. O'Gorman, have you investigated, confirmed or explored exactly what happened there? Was the procurement directorate completely bypassed in this process?

• (1735)

Ms. Erin O'Gorman: My understanding is that they received certain information, but there was a direct path from individuals within the IT group to PSPC to discuss contracts. For whatever reason, the procurement function wasn't an intermediary to that.

Mrs. Brenda Shanahan: How would that pathway have been developed?

That's why I would have liked to have those officials here from PSPC, to be able to ask them that question, Chair.

From where you sit, how would that have been the case? If the procurement directorate had some idea that something was going on, could they not have said, "Hey, wait a minute. Something is going on here. This is not right. We haven't signed off."

Could red flags have been raised?

Ms. Erin O'Gorman: Yes, they could have.

The roles and responsibilities with regard to procurement are quite well established, including the business owner, those who might need a contracted resource; the contracting authority, who is the interface; and PSPC for contracts over a certain amount of time.

What's in place now is the correct roles and responsibilities, where the people in IT would go through the CBSA's procurement function, whether that's then onward to PSPC or for a contract within CBSA's authorities. Those have been established.

Mrs. Brenda Shanahan: Are there measures in place that PSPC, for example, cannot accept anything from CBSA unless there's the proper sign-off?

Ms. Erin O'Gorman: Yes.

Mrs. Brenda Shanahan: For some reason, they did accept procurement. They did accept those contracts.

Ms. Erin O'Gorman: I don't know that I would put that at the feet of PSPC. Having not been there, I don't know if it was the exigent circumstances, so I can't speak to that, and I wouldn't put that at the feet of PSPC.

Mr. Chair, you will speak to officials from that department, but my role is to make sure the right people in CBSA are interfacing with PSPC, and that's what I've put in place.

Mrs. Brenda Shanahan: For the procurement directorate itself, what oversight is in place there? I can understand if there's one place where incorrect invoicing.... Typically, what do we see in any kind of big project? It's padding the invoices and so on, but here we didn't even have details on the invoices to begin with.

Ms. Erin O'Gorman: Exactly. It's the procurement directorate's function to provide that oversight and to require and insist that the appropriate level of information is contained, be it in a task autho-

rization or an invoice, all the way to the coding for payment. That is their function, to carry out that oversight. The assurance function will make sure that it's being done regularly and properly and that the files are complete.

Mrs. Brenda Shanahan: With the remainder of my time, is there anything else that you'd like to add to your testimony today, Ms. O'Gorman?

Ms. Erin O'Gorman: I would only add that I share the concerns. I do hope that it doesn't risk the trust of Canadians in the functioning of the CBSA and the critical work being done by employees, border service officers across the country and around the world. The work they do day in and day out is excellent, and it's important.

We are fixing this. We are troubled by this, but I would hate for that to get extended to the people who are doing that and other critical activities across the organization.

The Chair: Thank you.

Mrs. Brenda Shanahan: I apologize for some of the exchanges that occurred here today.

The Chair: Thank you very much.

I want to thank the officials from CBSA, as well as from the OAG, for coming in today.

That concludes our meeting. We're back on Thursday with the environment commissioner.

For now, I bid you a good week.

This meeting is adjourned.

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