
CHUCK GUITÉ AFTER RETIREMENT / ORO COMMUNICATIONS

Following Mr. Guité's retirement in 1999, he incorporated Oro Communications. Revenues from consulting fees for fiscal years ending July 31, 2000, 2001 and 2002 totalled \$1,039,431. It raises the question of how a former mid-level public servant could command such substantial fees—roughly three times his departing salary.

Several of the persons from communication agencies with whom Mr. Guité, in his capacity as Director of APORS and CCSB, entered into sponsorship and advertising contracts were noticeably reticent about testifying about their conversations and discussions with him in 1996 and 1997. Jean Lafleur professed to have no recollection of the discussions with Mr. Guité that preceded the sponsorship contracts awarded to his agency in 1996, although he acknowledged that there must have been such discussions. Gilles-André Gosselin was so anxious

to avoid testifying about his discussions with Mr. Guité prior to being awarded a series of contracts dated April 28, 1997, that he falsely affirmed that his agency was not working on the contracts prior to that date. In fact, no representative of an agency or subcontractor has been prepared to testify in any detail about their first contacts with Mr. Guité, even though it is fair to assume that he must have given the agencies concerned some sort of explanation about how each contract was to be administered, and how the agency was to be remunerated for its work.

Although Mr. Guité's testimony about the frequency and timing of his many meetings with Mr. Corriveau is credible, he was vague about the substance of conversations they had concerning the sponsorship contracts given by PWGSC to Groupaction for sponsorships to Mr. Lemay's enterprises, saying only that these matters were decided upon "upstairs." We do not know from him how much he knew or might have suspected about Mr. Corriveau's kickback scheme.

No one who was questioned on this topic was willing to disclose openly the details of the early discussions between Mr. Guité and the communication agencies which later handled sponsorship and advertising contracts on behalf of PWGSC because some parts of those discussions involve seriously improper conduct by the participants. The Commission notes at once that virtually all of Oro's clients, with the principal exception of the Institute of Canadian Advertising, received direct benefits from sponsorship or advertising contracts, either as sponsorees or as communication and advertising agencies, during Mr. Guité's tenure at PWGSC.

In October 2001, Oro agreed in writing to provide services related to market development in eastern and western Canada to Groupaction for \$87,500, although Mr. Brault testifies that the actual services related to ongoing negotiations for the sale or merger of Groupaction. Given the absence of any evidence of tangible results, it is unlikely these very substantial fees were for "consulting."

Oro's largest single client billings, \$371,000 for consultation fees plus expenses, were from PacCanUS Inc., a corporation closely related to Vickers & Benson. Vickers & Benson's President, John Hayter, testifies that Oro was retained because of a possible purchase by Havas, a French corporation. Mr. Hayter hoped that Mr. Guité might be able to find a solution to the problem of the 100% Canadian rule if the purchase took place. An agreement dated March 1, 2000 provides for \$1,400 per day, plus commission in the event of a sale.

Mr. Guité says that he met with Mr. Gagliano in March 2000 to ensure that the sale to Havas would not bar Vickers & Benson from receiving government contracts. Mr. Guité proposed that the sale be structured so that, nominally, a wholly Canadian-owned corporation would do business with the government. Mr. Guité says that he received a call from Pierre Tremblay shortly after the meeting with Mr. Gagliano, and was told that Mr. Gagliano had spoken to Ministers Martin and Manley and that the volume of government business of the new entity would be maintained.

Mr. Guité says he informed Mr. Hayter of this result, but Mr. Hayter denies both the conversation and that he asked Mr. Guité to obtain such assurances. Vickers & Benson's government business did not decline after its September 14, 2000 sale to Havas. Mr. Guité received a \$100,000 commission, evidenced by correspondence that also asks PacCanUS to pay an outstanding balance. The bill was paid, and the payment tends to corroborate Mr. Guité's testimony about why he was hired. The only plausible explanation for the amount of the payments, which greatly exceeded any rational evaluation of the time and services rendered, is the contracts that Vickers & Benson received from PWGSC prior to Mr. Guité's retirement.

If one were to examine Mr. Guité's post-retirement dealings with each of these agencies one at a time, it would be dangerous to draw

conclusions of impropriety. However, there is evidence of many transactions, involving several different agencies and proof of payment of substantial sums of money for alleged “consultations” but virtually no proof of the services provided in exchange.

There is no direct evidence that understandings were concluded with these agencies while Mr. Guité was still in the public service, but the reluctance of witnesses to reveal the substance of their conversations with him at the time when the first contracts were being allocated, combined with the evidence of the payments made to Oro after he retired, permits me to draw the reasonable inference that there had been such understandings, and that Mr. Guité relied upon them to persuade people like Messrs. Brault, Hayter, Lafleur, Coffin and Boulay to enrich him, under the guise of consulting services, once he had retired.