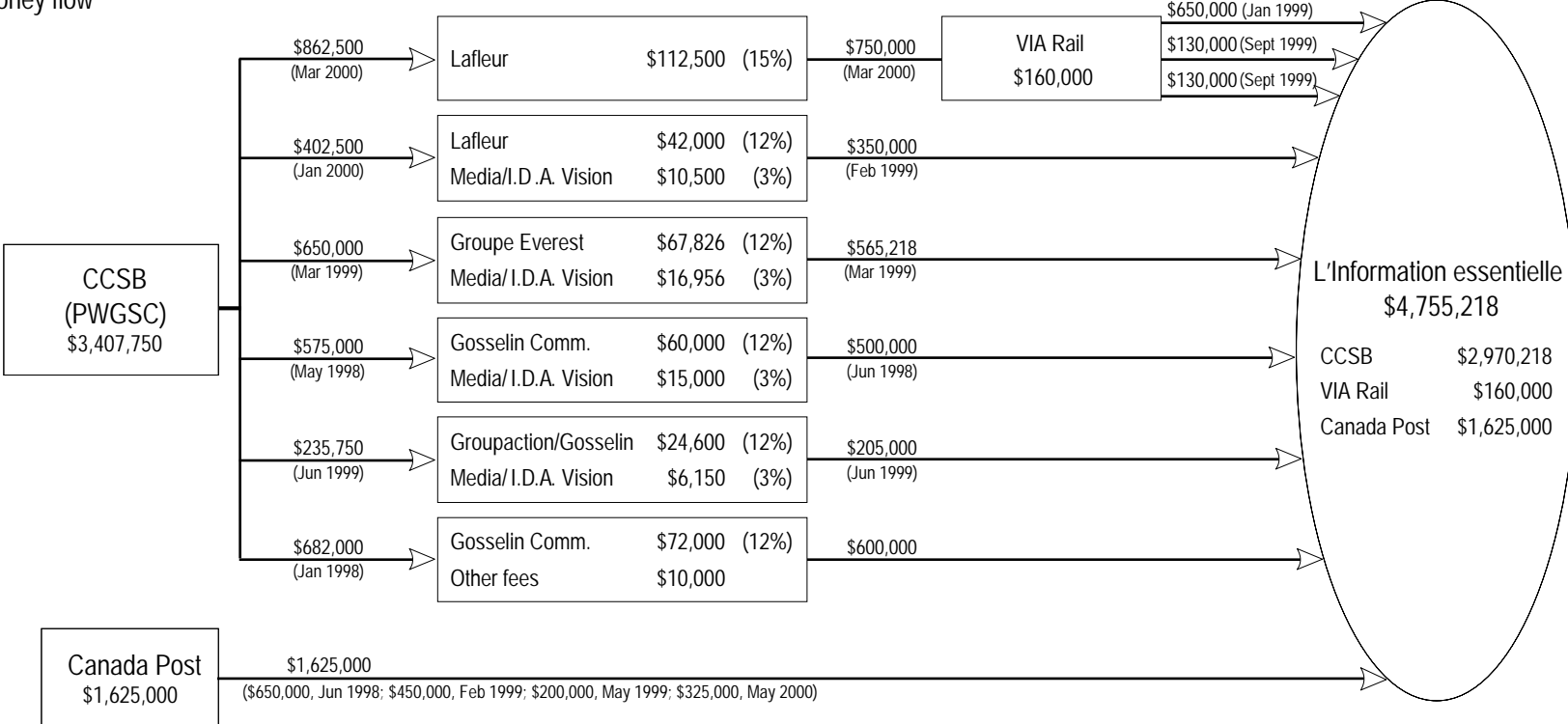




# Maurice Richard Series 1998 - 2000

Money flow\*



\*Figures do not include GST and PST (when applicable)



# Maurice Richard Series

## 1998 to 2000

### Funding method

- Ten contracts with four communications agencies and an agency of record, plus involvement of two Crown corporations.
- The three government entities CCSB, VIA, Canada Post who provided the funding had no contracts with l'Information essentielle.
- Contracts between CCSB and communications agencies made no mention of the fact that the money was to be paid to l'Information essentielle.
- The communications agencies had no contracts with l'Information essentielle.





# Maurice Richard Series 1998 to 2000

## Funding method (cont'd)

- Total of \$438,000 in commissions paid to communications agencies to move money, with little indication of any value added.
- None of the communications agencies were selected through a proper selection process.
- No evidence of any rationale for selection of l'Information essentielle or selection of the series for funding. No documentation at all, no written proposal, no definition of deliverables or total cost of series, and no evaluation of results by CCSB.





# Maurice Richard Series

## 1998 to 2000

### Specific concerns related to the two Crown corporations

#### VIA

- Parliamentary appropriations process was circumvented by senior officials of VIA and CCSB.
- Payment to a private sector company by VIA without a contract or business case or any written analyses to justify the payment.





# Maurice Richard Series

## 1998 to 2000

### Specific concerns related to the two Crown corporations (cont'd)

#### VIA (cont'd)

- Use of fictitious contract by CCSB and fictitious invoice by VIA to move money between the two entities.
- Payment of commission (\$112,500) for moving \$750,000 from CCSB to VIA.
- No reporting by VIA to its Board or Audit Committee.





# Maurice Richard Series

## 1998 to 2000

### Specific concerns related to the two Crown corporations (cont'd)

#### Canada Post

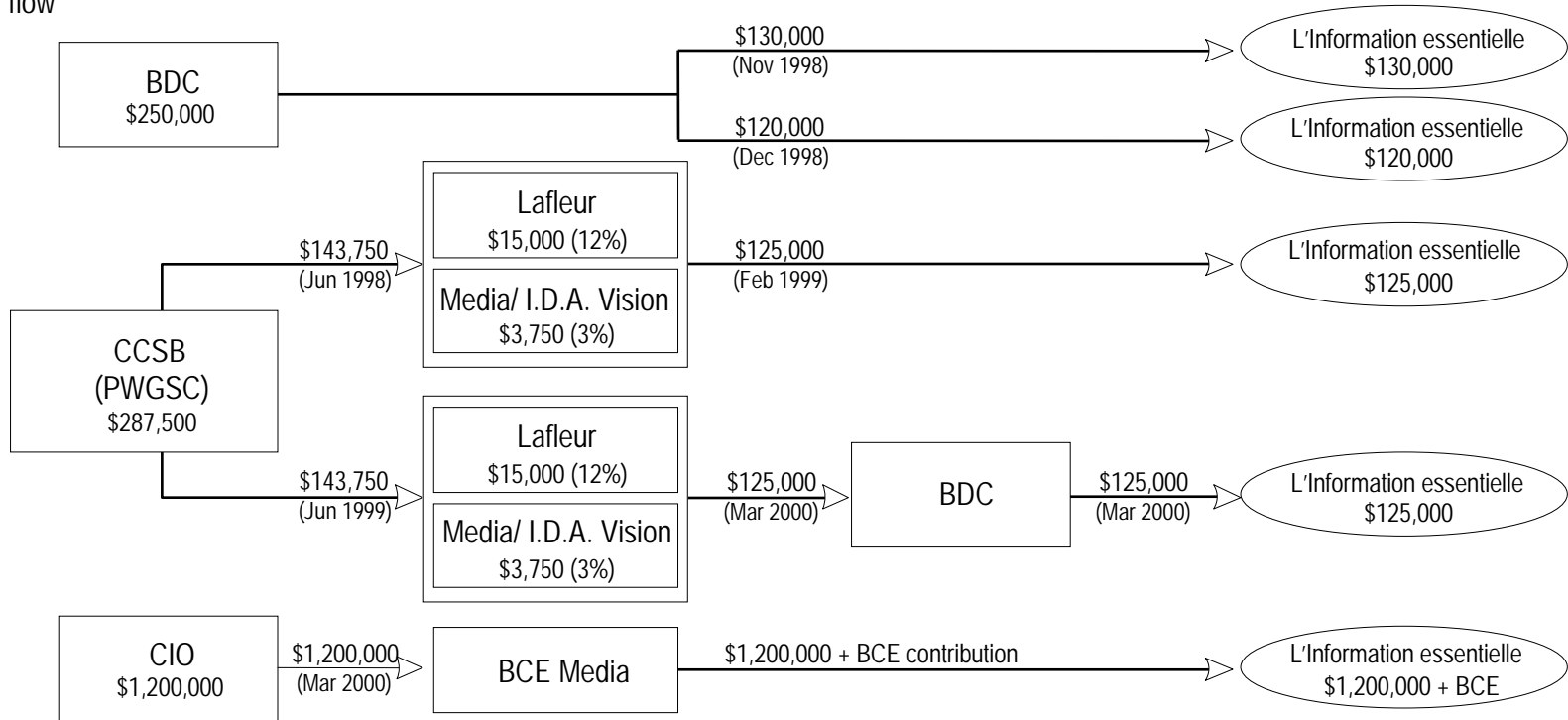
- Paid \$1.625 million (plus taxes) to l'Information essentielle without a business case, no signed proposal and no contract.
- Violated the requirements of its own sponsorship policy.



# Le Canada du Millénaire Series 1998 to 2000



Money flow\*



\*Figures do not include GST and PST (when applicable)





# Le Canada du Millénaire series

## Specific Concerns

- Unusual methods of funding Millénaire series \$1.7 M to a private sector company without a written contract.
- The Business Development Bank of Canada (BDC) transferred \$250,000 directly to L'Information essentielle without a written contract.
- CCSB transferred \$125,000 to l'Information essentielle through communications agencies.
- CCSB transferred \$125,000 to BDC through communications agencies and BDC then transferred the money to l'Information essentielle.







# Le Canada du Millénaire series

## Specific Concerns (Cont'd)

- BDC issued artificial invoices to Media IDA Vision to facilitate the transfer of funds. BDC had no contracts with CCSB, Media IDA Vision and L'Information essentielle.
- No written agreement between BDC and CCSB.
- Commission fees of \$18,750 were paid to communications agencies just to transfer the money from CCSB to BDC.
- The communication agency was selected without a proper selection process.





# Le Canada du Millénaire series

## Specific Concerns (Cont'd)

- BDC officials approved the invoices for amounts above their financial delegated authority.
- The Canada Information Office (CIO) made a contribution of \$1.2 million to BCE Media who then gave the money to L'Information essentielle. According to a public report by CBC Ombudsman, CIO was never recognized as one of the sponsors of the program.

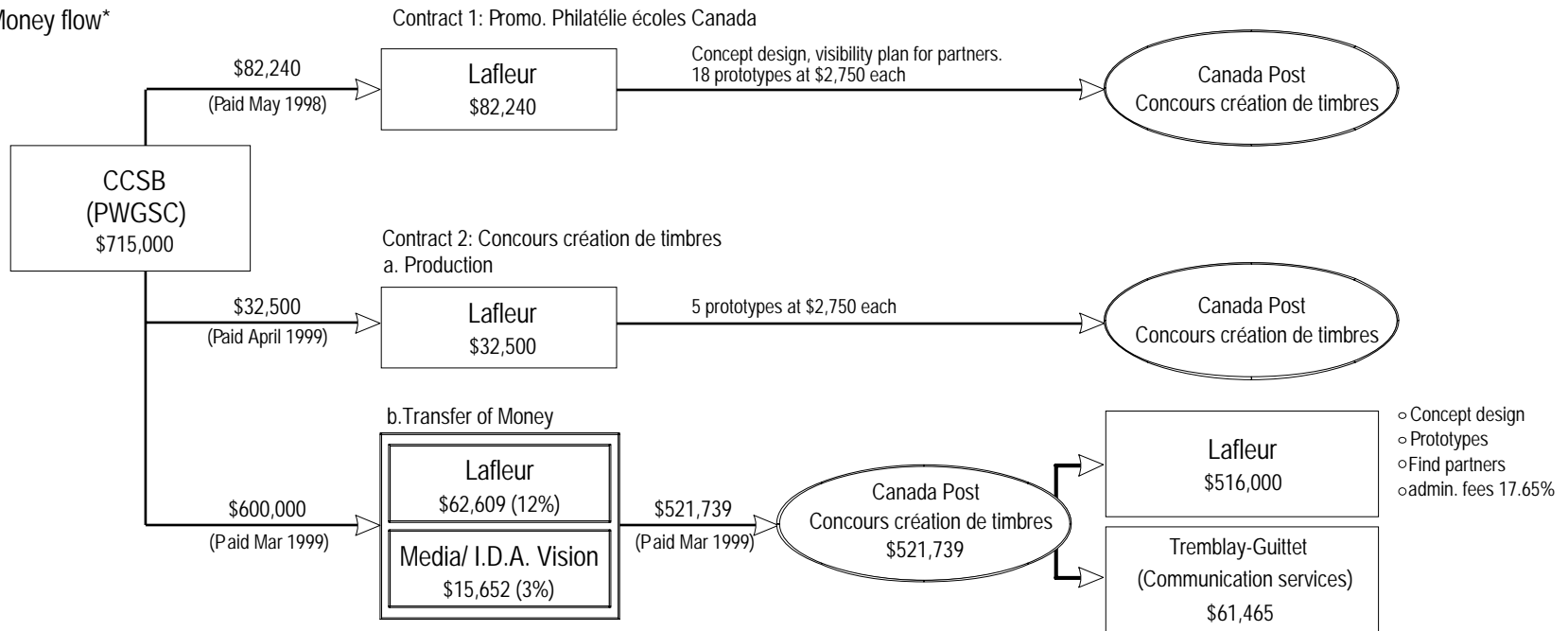


# Canada Post - Sponsorship

## Concours création de timbres 1998 - 1999



Money flow\*



\*Figures do not include GST and PST (when applicable)





# Millennium Stamp Competition

## Specific Concerns

- Sponsorship funds of \$521,000 used to support Canada Post's commercial operations.
- Commission fees of \$78,261 paid by CCSB to communications agencies to transfer \$521,000 to Canada Post.
- Canada Post paid Lafleur \$516,000 of the \$521,000 it received through Lafleur without a contract.
- CCSB paid Lafleur \$114,740 for concept design, visibility plan for partners and prototypes for Canada Post. Canada Post states that it did not receive any such goods on behalf of the government.





# Millennium Stamp Competition

## Specific Concerns (Cont'd)

- Canada Post also paid Lafleur amounts out of the \$516,000 for goods similar to those paid for by CCSB—possible double payment. We have informed PWGSC and Canada Post of this matter.
- No documentation to support Canada Post's decision to participate in the event (e.g. no business case, no post-event analysis, non-compliance with Canada Post's sponsorship policy).
- No written agreement between CCSB (PWGSC) and Canada Post.





# Millennium Stamp Competition

## Specific Concerns (Cont'd)

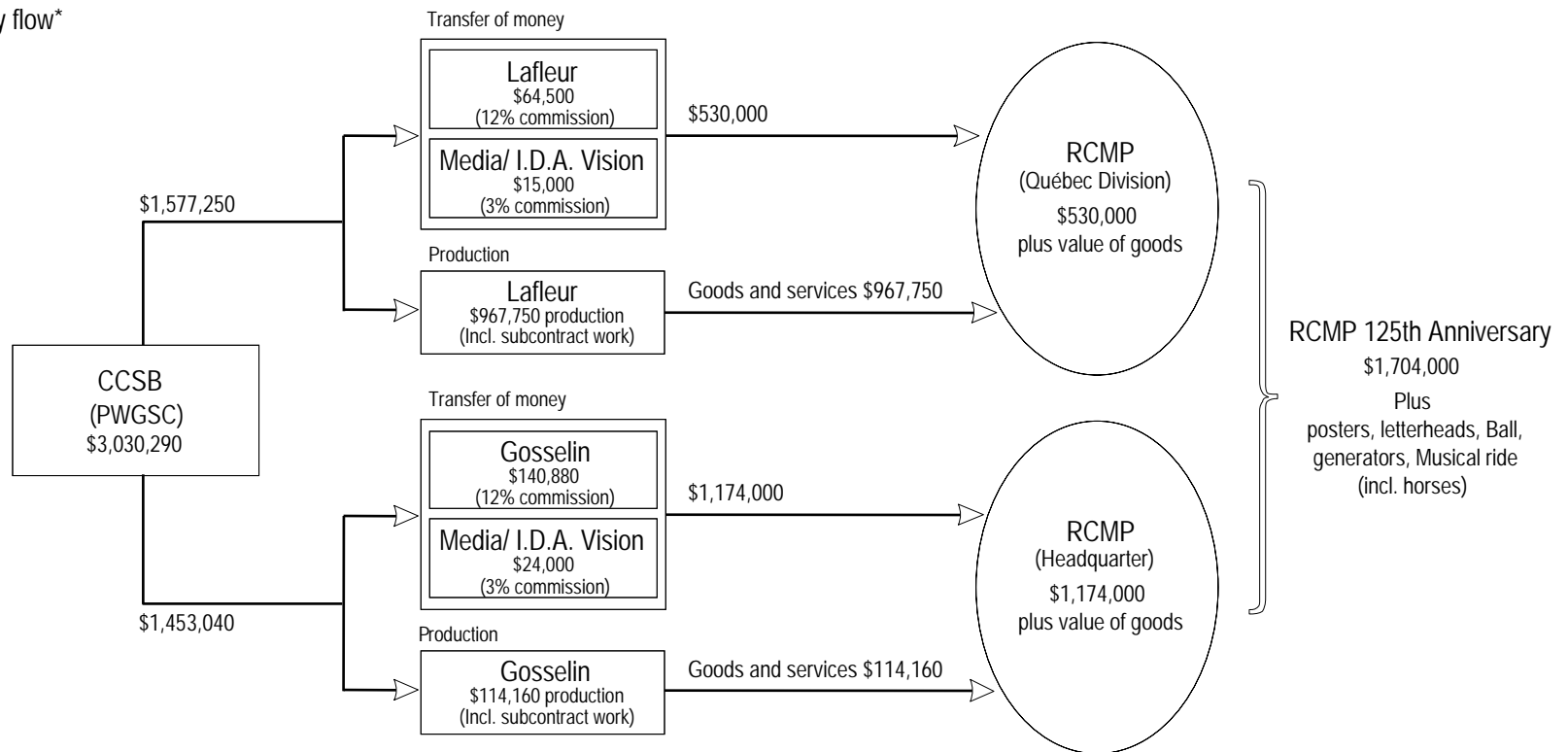
- None of the communications agencies were selected through a proper selection process.
- We question the value of this \$521,000 sponsorship-- Canada Post was already required to display the Canada Workmark under the Federal Identity program.
- Canada Post states that the presence of ministers at various functions and the prominent display of Canada wordmark did provide additional visibility.



# RCMP's 125th Anniversary Celebration – Sponsorship 1997-1999



Money flow\*



\*Figures do not include GST and PST (when applicable)





# RCMP 125th Anniversary

## Specific Concerns

- Sponsorship funds were used to subsidize RCMP's operating expenditures, a circumvention of parliamentary authority exercised through the appropriation process.
- CCSB contributed more than \$3M through eight contracts with two communications agencies and an agency of record.
- No direct contract between CCSB and RCMP.
- Commission fees of \$244,380 were paid for transferring \$1,704,000 in sponsorship funds from CCSB to RCMP.
- A separate non-government bank account was used for all deposits and payments to the RCMP Quebec division (over \$500,000) in contravention of the FAA.







# RCMP 125th Anniversary

## Specific Concerns (Cont'd)

- RCMP is already required to provide visibility under Federal Identity Program (FIP). No documented evidence of any additional visibility from the sponsorship funds.
- Both RCMP and CCSB purchased similar goods from the same communications agency—possible double payments. RCMP and PWGSC have been informed.
- \$65,000 received through Lafleur was used by the RCMP to purchase goods from Lafleur without a contract.

