

CHAPTER XV

JOSEPH CHARLES GUITÉ
IN RETIREMENT

15.1

Credibility

Throughout this Report I have had to assess the credibility of Mr. Guité's testimony on a number of subjects. In general, I have come to the conclusion that he is not always a reliable witness, and that any affirmations made by him should be accepted with caution. This being said, some of the statements of even the most unreliable witness may prove to be true. For example, if a statement is corroborated by the evidence of other witnesses or by documentation, or if it is made against the interests of the witness, or if it corresponds to a logical or plausible explanation of the surrounding circumstances, it may be accepted, even if the statement has been made by an otherwise untruthful person.

In the closing submissions made on behalf of the Attorney General of Canada¹ and Jean Pelletier,² the reasons why Mr. Guité should not be treated as a credible witness are set out in detail. I have considered these submissions with care as I have all of the written and oral representations presented at the final stage of the hearings, but I am not persuaded that Mr. Guité's testimony about what transpired during his meetings with Mr. Pelletier and Mr. Gagliano should be disregarded. As I indicated earlier in this Report when analyzing that evidence, considering the evidence as a whole, taking into account simple logic, plausibility, and elements of corroboration by independent witnesses such as Isabelle Roy and Joanne Bouvier, it is improbable that the question of the selection of agencies was never discussed during those meetings. Accordingly, in spite of the many instances where Mr. Guité contradicted himself and was not truthful on other subjects, his testimony with respect to the subjects discussed at his meetings with Messrs. Pelletier and Gagliano was accepted, notwithstanding the denials of these two witnesses who, in general, were more credible.

When Mr. Guité appeared before the Commission at the Montreal hearings, he was testifying for the second time.³ Many of the questions put to him on that occasion concerned his actions following his retirement from the public service on August 31, 1999,⁴ when he immediately offered his services as a consultant, lobbyist or intermediary to the persons and corporations in the private sector with whom he had been contracting on behalf of Public Works and Government Services Canada.⁵ This gave rise to obvious suspicions that there may have been a connection between the benefits accruing to Mr. Guité from his post-retirement activities and the contracts that he dispensed while he was working for the Government. Mr. Guité's testimony provided him with an opportunity to dispel these suspicions.

There were already serious doubts about Mr. Guité's credibility concerning some of his evidence of facts occurring prior to his retirement, and these doubts were intensified by the implausibility of what he said about the remuneration paid to him for his services after retirement. He gave no evidence of any concern about the possible impropriety of what he was doing after his retirement, just as he was unconcerned about the way in which he

failed to fulfill his responsibilities as a public servant prior to his retirement. To be fair to him, he does not in his testimony attempt to disguise the fact that, to use the expression coined by Sheila Fraser, he broke all the rules. Mr. Guité's frankness is shocking. He systematically failed to follow the requirements of Appendix Q with respect to calling for tenders or competing bids, he blatantly failed to observe the law with respect to certifications for payment in section 34 of the *Financial Administration Act*, he made deliberately false reports to Treasury Board about the observance, or should I say non-observance, of the rules respecting competitive bidding and he told Mr. Coffin to overbill PWGSC and tolerated obvious cases of overbilling by other agencies. The examples of his misconduct and maladministration could go on and on. **Mr. Guité in his testimony reveals himself to be a man without scruples,** and if he was unscrupulous in his actions, it may be inferred that he would be equally unscrupulous about telling the truth about those actions.

Accordingly, **with respect to what he says about what he did following his retirement, Mr. Guité is not only an unreliable witness—he simply has no credibility on these issues.**

15.2

Oro Communications Inc.

Mr. Guité's last day in the federal public service was August 31, 1999.⁶ Oro Communications Inc. ("Oro") was incorporated the following day.⁷ Mr. Guité was at all relevant times the principal actor directing Oro's activities; its shareholders were Mr. Guité and his immediate family.⁸ Oro's office was in Mr. Guité's Ottawa home,⁹ and it had no employees other than Mr. Guité and his wife.¹⁰ From its financial statements, revenues from consulting fees for fiscal years ending July 31, 2000, 2001 and 2002, were \$261,200, \$402,400 and \$375,831, respectively—a total of \$1,039,431.¹¹ Questions come to mind at once how a former mid-level public servant could command such substantial fees for his accumulated expertise and advice—roughly three times his departing salary¹²—and whether there were reasons other than his expertise for which these amounts were paid.

It will be recalled that several of the persons representing communication agencies with whom Mr. Guité, in his capacity as the Director of APORS and CCSB, entered into sponsorship and advertising contracts, were noticeably reticent about testifying on the subject of their conversations and discussions with him in 1996 and 1997. Jean Lafleur professed to have no recollection whatsoever of any of the discussions with Mr. Guité that immediately preceded the avalanche of sponsorship contracts awarded to his agency in 1996, although he acknowledged that there must have been such discussions.¹³ His total memory failure was not credible, and the Commission deduces that Mr. Lafleur's pretended memory lapses were used as a means of avoiding incriminating testimony and admissions.

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, even when he was confronted with documentary evidence that conclusively established the contrary.¹⁴ He later admitted that his earlier testimony had been incorrect,¹⁵ but little was learned from him about what had been said to him by Mr. Guité prior to the date when the contracts were awarded. Obviously he had been told they were coming to his agency, but no contextual details were provided. It must be concluded that Mr. Gosselin feels that there is something to hide.

Although Mr. Guité's testimony about the frequency and timing of his many meetings with Mr. Corriveau is credible,¹⁶ he was vague about the substance of the conversations he had with him 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."¹⁷ We do not know from him how much he knew or might have suspected about Mr. Corriveau's kickback scheme.

In spite of sustained efforts to learn more about the meetings and conversations involving Mr. Guité following the communication to him by persons unknown of the Government's decision to launch the Sponsorship Program, the Commission remains largely in the dark. We know that APORS

was given the mandate to administer the Program, that it was directed by Jean Pelletier, and that Mr. Guité enjoyed a degree of autonomy in allocating small sponsorship contracts to agencies he favoured, but 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.

The conclusion is unavoidable that 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.¹⁸

Oro's records identify 14 clients paying consulting fees for its 2000, 2001 and 2002 fiscal years, the most substantial being Groupaction, PacCanUS and the Institute of Canadian Advertisers. Also included are Communication Coffin, Jean Lafleur's Gescom and Groupe Everest International.¹⁹ Table XV-I provides a breakdown of the consulting fees received by Oro in the three fiscal periods following Mr. Guité's retirement.

Table XV-1: Consulting Fees Received by Oro Communications Inc.^a

Client	2000 ^b	2001	2002	Total
Groupaction	\$76,200	\$1,400	\$50,131	\$127,731
PacCanUS ^c	56,000	168,000	147,600	371,600
Serdy Video Inc./Serge Arsenault	50,000	15,000	-	65,000
Compass Communications Inc./Tony Blom ^d	47,900	-	-	47,900
Communication Coffin	20,600	-	-	20,600
Essential Information Inc./Claudette Theoret	10,500	5,000	-	15,500
Institute of Canadian Advertising	-	100,000	90,000	190,000
Le Festival de la Santé Inc.	-	35,000	49,000	84,000
Wallding International Inc. ^e	-	30,000	10,000	40,000
Toronto 2008 Olympic Bid	-	20,000	-	20,000
Gescom ^f	-	15,400	22,100	37,500
Radio Marketing Bureau Inc.	-	7,000	-	7,000
Groupe Everest International	-	5,600	-	5,600
Palm Publicité Marketing Inc.	-	-	7,000	7,000
Total	\$261,200	\$402,400	\$375,831	\$1,039,431

^a Data compiled by Kroll Lindquist Avey found at Exhibit C-375, p. 40.

^b Oro Communications Inc.'s fiscal year was August 1-July 31.

^c PacCanUS is the name of a company affiliated with, or the parent of, Vickers & Benson.

^d Compass Communications is an agency based in Halifax which received most if not all sponsorship contracts with respect to events or projects occurring in the Atlantic Provinces.

^e Wallding International Inc. is the consulting and lobbying firm formed by David Dingwall following his defeat in the 1997 general election.

^f Gescom is a name of a corporation belonging to Jean Lafleur which was not acquired by one of Jean Brault's corporations when Lafleur Communication Marketing was sold to him in 2000.

The Commission notes at once that virtually all of the 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 more direct language, each of them had reasons to be grateful to Mr. Guité, to the extent that he had been influential in allocating those contracts.

15.3

Groupaction and Jean Brault

Mr. Brault testifies that in the fall of 1999, Groupaction was interested in expanding its business through acquisitions.²⁰ He knew of Mr. Guité's experience in the communications industry and, following his retirement, agreed to hire him as a consultant.²¹ An agreement dated October 1, 1999, was signed between Oro and 9054-0337 Quebec Inc., a corporation belonging to Mr. Brault,²² which stipulates that Oro will be paid \$15,000 on signing and \$10,000 per month plus expenses for 11 months, in exchange for Mr. Guité's consulting services and marketing advice.²³ The agreement notes that Mr. Guité cannot represent its client to the Government of Canada until August 31, 2000, because of "a post-employment clause as a senior public servant."²⁴

This was not the first time Mr. Brault had sought and obtained Mr. Guité's advice. He says that in 1998, when Groupaction was contemplating the possibility of opening an office in Ottawa, Mr. Guité had told him that Gilles-André Gosselin's agency might be for sale due to Mr. Gosselin's health problems, and had given him assurances about the volume of business that would follow an acquisition.²⁵ However, Mr. Brault says that no remuneration was paid to Mr. Guité at that time for his advice or services relating to the Gosselin transaction.²⁶

In accordance with the agreement of October 1, 1999,²⁷ Mr. Brault's numbered company paid Oro \$35,000 in the period from October 1, 1999, to December of that year.²⁸ He says that Mr. Guité advised him about the possibility of the acquisition of, or amalgamation with, two other advertising agencies, Compass Communications and Vickers & Benson.²⁹ Another avenue

that was explored in a preliminary way was the possibility of a transaction with Palmer Jarvis.³⁰ However, on November 30, 1999, Mr. Brault wrote a long letter to Mr. Guité³¹ explaining why he had decided to put a premature end to their agreement, and offering him an indemnity of \$30,000, equivalent to three months' notice.³² This amount was paid in three instalments of \$10,000 each over the next three months.³³

In spite of the fact that the agreement had been cancelled, in April 2000 Groupaction paid Oro \$11,984, said to be for consulting services concerning possible sales or mergers.³⁴

On April 19, 2001, one of Mr. Brault's companies, Société Immobilière Alexsim Inc., paid Mr. Guité \$25,000 personally by cheque.³⁵ Mr. Brault testifies that this cheque represents a loan to Mr. Guité, which Mr. Guité undertook to repay with interest at 3% per year one year later, evidenced by a promissory note.³⁶ The loan was never repaid.³⁷ Mr. Brault testifies that the \$25,000 was an advance against future fees to be earned by Oro, and cannot explain why the cheque and the note are in the name of Mr. Guité personally.³⁸ His testimony on this subject could fairly be described as incoherent. Mr. Guité is much clearer; he says the loan was made to him to enable him to purchase a boat.³⁹

On October 10, 2001, a second agreement with Oro was signed, this time by Mr. Brault on behalf of Groupaction,⁴⁰ which foresees payments in a total amount of \$87,500 for "services to develop markets in Eastern and Western Canada."⁴¹ The agreement is in the form of a one-page letter, which does not set out the services to be rendered in any detail. Mr. Brault testifies that the true nature of the services to be rendered by Oro had to do with continuing negotiations to sell or merge his agency with another.⁴² There is no explanation as to why the letter agreement incorrectly describes the services to be rendered. Groupaction paid Oro, by cheques dated October 17, 2001,⁴³ and February 28, 2002,⁴⁴ the sums of \$28,756.25 and \$24,743.75, respectively, presumably pursuant to the agreement of October 10, 2001.

These payments, together with the loan or advance that was never reimbursed, are difficult to reconcile with the complete lack of any evidence of tangible results obtained for the benefit of Mr. Brault, as a result of the efforts and interventions allegedly made by Mr. Guité. There is no doubt that Mr. Guité was very experienced in the field of advertising and communications. His expertise was recognized by the Institute of Canadian Advertising, which engaged his services in August 2000 and paid him \$10,000 per month until April 2002 to act as a lobbyist.⁴⁵ In October 2002 he resigned⁴⁶ due to the unfavourable publicity which followed the first report of the Auditor General.⁴⁷ However, the sum of \$127,731⁴⁸ is out of proportion with the value of the services allegedly rendered to Mr. Brault, especially considering the lack of results. Mr. Brault is an experienced businessman and it is unlikely that he would repeatedly engage the services of a “consultant” and pay him very substantial fees when nothing in the way of results is ever produced.

While Mr. Guité was still a public servant, there is evidence that on two occasions Mr. Brault provided him with substantial non-monetary benefits that were highly inappropriate. In 1997, Groupaction bought and paid for a set of Pirelli tires for Mr. Guité’s 1997 Mustang at a cost in excess of \$1,000;⁴⁹ and in September 1998, it purchased four tickets to the Grand Prix of Italy in Monza at a cost of \$12,537, which were provided as a gift to Mr. Guité.⁵⁰ The tickets were used by Mr. Guité and his wife, son and daughter-in-law on a trip to Italy.⁵¹

15.4 PacCan US

Oro’s most important client was PacCanUS Inc.,⁵² a corporation closely related to Vickers & Benson. During the period from September 1, 2000, when Mr. Guité became eligible to do business with the Government, until March 2002, Oro billed PacCanUS consultation fees of \$371,600 and expenses of \$29,794.⁵³ An abbreviated agreement in the form of a letter dated March 1, 2000, stipulates that Oro will be paid for its services to PacCanUS at the rate of \$1,400 per day, and notes that it will be entitled in addition to a

commission, in an amount to be determined, in the event of the sale of the Vickers & Benson business to a third party.⁵⁴

Mr. Guité and John Hayter, the president of Vickers & Benson, knew each other well, and had had dealings with respect to the China series and Tourism Canada files.⁵⁵ Mr. Hayter testifies that Mr. Guité offered his services to PacCanUS as early as January 2000, but that Oro was retained only in March of that year when the possibility of a sale of the business to Havas, a corporation owned by interests in France, became realistic.⁵⁶ The principal reason that Mr. Guité's services were retained stemmed from Mr. Hayter's concern that because of the 100% Canadian rule, if Vickers & Benson should be acquired by Havas, it might no longer be eligible to receive advertising contracts from the Government of Canada.⁵⁷ He hoped that Mr. Guité would be able to find a solution to the problem.⁵⁸

Mr. Guité says that in March 2000 he met Mr. Gagliano in an Ottawa restaurant and asked him for assurances that the sale of the Vickers & Benson business to Havas would not be a bar to future government contracts.⁵⁹ He thought this could be accomplished by a proposed corporate structure whereby the corporate vehicle doing business with the Government would be, at least nominally, wholly Canadian-owned.⁶⁰ Mr. Guité believed that such a structure had previously been used so that the ownership of BCP could be sold to foreign interests without compromising its business with the Government.⁶¹ According to Mr. Guité's testimony, Mr. Gagliano said that he would have to discuss the matter with others, and would get back to him.⁶² A short time later, Mr. Guité allegedly received a telephone call from Pierre Tremblay, who told him that Mr. Gagliano had spoken to Ministers Martin and Manley and that the volume of government business to Vickers & Benson would be maintained notwithstanding the proposed sale to Havas.⁶³ Mr. Guité says that he then informed Mr. Hayter that he had obtained the desired assurances.⁶⁴

Mr. Hayter denies not only that Mr. Guité spoke to him about his alleged conversation with Mr. Gagliano, but also that he had ever asked Mr. Guité to seek the assurances that he said he had obtained.⁶⁵

What is established by the evidence beyond any doubt is that the transaction with Havas took place on September 14, 2000,⁶⁶ that it did not cause any diminution of the business received by Vickers & Benson from the Government, and that Mr. Guité subsequently received from PacCanUS a commission of \$100,000 for whatever role he played in facilitating the transaction.⁶⁷ It was arranged between the parties that this commission would be paid to him by way of monthly instalments of \$14,000 each,⁶⁸ although Mr. Guité does not admit that the purpose of this arrangement was to disguise the fact that a commission was being paid.⁶⁹ He maintains that the payments of \$14,000 were a monthly retainer for consultations. He continued to receive them until April 2002,⁷⁰ by which time he had received a total of \$336,000 (24 months at \$14,000 per month).

On April 25, 2002, Mr. Guité wrote to PacCanUS and attached to his letter a “financial reconciliation”⁷¹ in which it is clearly stated that part of what he had been paid was the commission of \$100,000 on the Vickers & Benson sale. In the letter (reproduced in Figure XV-1) he asks for a balance claimed to be due to Oro of \$21,600.⁷²

Figure XV-1: "Financial reconciliation letter"

April 25, 2002

Mr. Jim Satterthwaite
Paccanus Inc.
1920 Yonge Street
Toronto, Ontario
M4S 3E4

Dear Jim,

Thank you for your letter dated April 22, 2002 advising me that you are suspending our agreement due to further acquisitions being put on hold.

As you are aware, I was concentrating my efforts with a firm in Montreal and I have advised them accordingly. Should you decide to pursue these initiatives in the future, please feel free to call as I have made some important progress on this file.

Please find attached a financial reconciliation of our account. This summarizes the value of services against a monthly retainer paid to date. Once you've had a chance to review and agree with the attached, I will invoice Paccanus accordingly. Should you require clarification, please call and we can discuss in more details.

Finally, I would like to thank you for the assignment and we have been very successful over the last 2 years.

Looking forward to work with you in the near future.

Best regards,

J.C. Guité

FINANCIAL RECONCILIATION**April to December 2000**

General assistance in the sale of V&B and ongoing advice regarding government relations. Provided professional advice on the sale to Havas.

Total days spent from April to December 2000:

80 days @ \$1,400/day	=	\$112,000
Commission on sale of V&B	=	\$100,000
TOTAL		\$212,000

January to December 2001

Ongoing advice on government relations. Search and preliminary discussion with Quebec based agencies.

Total days spent for 12 months:

88 days @ \$1,400/day	=	\$123,200
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January to March 2002

Continued detailed negotiations with Quebec agencies and provided ongoing governmental relations.

Total days for 3 months:

16 days @ \$1,400/day	=	\$22,400.00
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GRAND TOTAL	\$357,600.00
AMOUNT BILLED (24 months @ \$1,400/mo)	\$336,000.00
AMOUNT DUE	\$21,600.00 + GST

This “financial reconciliation,” which was explicitly accepted by PacCanUS when it paid Oro the balance of \$21,600, tends to corroborate Mr. Guité’s testimony that he had been engaged to facilitate the sale in some way for which he was paid a commission of \$100,000.⁷³ The document makes it probable that his recollection of the mandate he received from Mr. Hayter, and of the manner in which he accomplished it, is accurate. Mr. Hayter would have had no reason to pay him the commission otherwise.

With respect to the additional amounts paid to Mr. Guité, in excess of \$250,000, after hearing the testimony of Mr. Hayter and Mr. Guité, I come to the conclusion that there was probably a relationship between what Mr. Guité was paid after his retirement and the contracts that Vickers & Benson received from PWGSC prior to his retirement. There is no other plausible explanation for the excessive amount of those payments, which greatly exceeded any rational evaluation of the time and services that Oro rendered to its client.

Finally, Mr. Guité admits that his approach to Mr. Gagliano in March 2000 was a contravention of the law regulating lobbying, since he has never been registered as a lobbyist, and that it was also a breach of his obligation not to carry out any form of government solicitation during the first year after his retirement.⁷⁴

15.5

Communication Coffin

According to Paul Coffin, on January 4, 2000, he agreed with his friend Mr. Guité that Oro would be engaged by Communication Coffin to seek out financial partners for the Grand Prix de Trois Rivières, an event sponsored annually by PWGSC through contracts managed by Coffin.⁷⁵ As consideration for its services, he agreed to pay Oro \$5,000 per month for three months.⁷⁶ Mr. Guité effectively confirms what Mr. Coffin says, although there are some details in the testimony of the two witnesses that do not correspond. The sum of \$15,000 was paid to Oro for its efforts, if in fact there were any, which produced no results whatsoever.⁷⁷

Oro invoiced Communication Coffin for an additional \$5,600 in July 2000,⁷⁸ but this time the explanations given for the invoice are entirely contradictory. Mr. Coffin testifies that the \$5,600 was due to Mr. Guité as the price of accessories of the boat purchased from him by Mr. Coffin the previous summer.⁷⁹ Since the boat purchase was a private transaction between two individuals, the invoice from one corporation to another for consulting fees cannot be readily reconciled with this explanation. Mr. Guité testifies that the invoice was for consultation services in relation to one of Mr. Coffin's clients.⁸⁰ One or both of the witnesses is clearly not telling the truth.

I am satisfied beyond doubt that both men are not to be believed about the consideration for any of the payments made by Communication Coffin to Oro, and that the total of \$20,600 paid by Communication Coffin to Oro was a thinly disguised payoff for favours received from Mr. Guité while he was a public servant.

15.6

Gescom

At the time relevant to what follows, Jean Lafleur owned Gescom, a corporation which assists its clients in crisis management.⁸¹ During the years when Mr. Guité was a public servant, Mr. Lafleur was not only the person who owned and directed the communication agency which received many lucrative sponsorship contracts from Mr. Guité's branch at PWGSC, but he was also a friend with whom Mr. Guité went salmon fishing and had a fairly frequent social relationship at dinners and hockey games.⁸²

Starting in May 2001 and continuing until November 2001,⁸³ Oro sent monthly invoices to Gescom for "strategic consultations." There was an additional payment in January 2002 for which no invoice has been found. The total amount paid was \$37,500.⁸⁴ No document records the reason for these payments. According to Mr. Guité's testimony, the \$37,500 represented half of the consulting fee to which he was entitled as a result of the sale of the Lafleur agency to Groupaction, which occurred in January 2001;⁸⁵ he had expected to receive the other half from Groupaction, but he did not,

and decided not to insist upon payment.⁸⁶ A little while later, he changed this testimony, and said that two of the invoices sent to Groupaction, dated October 12, 2001, and January 7, 2002, each for \$25,000, represented the Groupaction share of the fee he earned for his participation in the Lafleur sale.⁸⁷

Mr. Brault is simply unable to recall whether he had paid Mr. Guité anything in connection with the Lafleur sale,⁸⁸ whereas Mr. Lafleur says first that he cannot remember what amount was paid to Mr. Guité for his services relating to the sale, and then mentions that perhaps it was \$10,000 or \$20,000.⁸⁹

It is impossible to reconcile these contradictory and confusing testimonies, and the credibility of all three witnesses on this subject is minimal. I am satisfied that the main reason they are unable to give coherent and believable answers to questions about the sums paid to Mr. Guité's company is that in all probability there never was a clear understanding about what would be paid to him, if anything, pursuant to the sale of the Lafleur agency. What is abundantly clear is that both Mr. Brault and Mr. Lafleur were grateful to Mr. Guité for the business he directed their way while he was the Director of APORS and CCSB, and were willing to pay him sums of money in recognition of his largesse. The sale of the Lafleur agency provided a convenient pretext for such payments.

15.7

Groupe Everest

According to the testimony of Messrs. Guité and Boulay, they only became friends after Mr. Guité retired from PWGSC.⁹⁰ From then on they and their wives saw each other socially, and they went on fishing trips together.⁹¹ Of course, they had had frequent contacts professionally while Mr. Guité was a public servant.⁹²

In 2001, according to Mr. Boulay, Mr. Guité offered to construct and stock a wine cellar at the Boulay residence, for which he was paid exactly \$25,000.⁹³ No written documentation exists to support Mr. Boulay's version of this transaction, but it is confirmed by Mr. Guité.⁹⁴

Also according to Mr. Boulay, in the fall of the year 2000, Groupe Everest retained the services of Oro to do a market study,⁹⁵ for which it was billed \$5,600 on September 16, 2000, representing four days' work at \$1,400 per day.⁹⁶ Mr. Guité says that he helped Everest prepare a pitch but has no recollection of to whom the pitch was to be made.⁹⁷

In 2001, according to Mr. Boulay's testimony, Oro gave Groupe Everest a verbal mandate to carry out a study of the perception Canadian advertisers had of the advertising industry, at a cost of \$60,000.⁹⁸ Related to the study, he says that Mr. Guité sought his advice concerning transactions involving the sale of Canadian advertising agencies to foreign firms.⁹⁹ However, the study was not completed and the only invoice from Groupe Everest to Oro is dated October 29, 2001, for an advance of \$20,000.¹⁰⁰ In spite of the fact that no work was performed, and that Groupe Everest did not apparently send other invoices, the full amount of \$60,000 was paid by Oro.¹⁰¹

Mr. Guité confirms that the original mandate was not fulfilled and that Oro paid Groupe Everest \$60,000 anyway, explaining that Mr. Boulay gave him valuable advice on other subjects and projects.¹⁰² His explanations are totally unconvincing.

All of these transactions are suspect, and both witnesses are obviously unwilling to disclose to the Commission the true nature and rationale of their financial relationships. Mr. Guité must have had some motivation for paying Groupe Everest \$60,000, but it cannot have been for the verbal advice alleged to have been given by Mr. Boulay, leaving the Commission to conclude that something of an improper or illicit nature was the consideration for the sums paid, just as were the payments to Mr. Guité ostensibly for the construction and stocking of a wine cellar and a non-existent market study.

15.8

Conclusion

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 there were understandings 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 Mr. Guité 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.

Mr. Guité, like Mr. Corriveau, seized upon the opportunity that the Sponsorship Program presented, with its complete lack of guidelines, criteria and oversight. He exploited it to enrich himself by obtaining or arranging payoffs and kickbacks from the communication and advertising agencies to which the PWGSC contracts were directed.

Endnotes to Chapter XV

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- ¹ Exhibit P-474(GG).
- ² Exhibit P-474(S), pp. 33-35.
- ³ Testimony of Mr. Guité, Transcripts vols. I08-I12 (Part I).
- ⁴ Testimony of Mr. Guité, Transcripts vol. I08, pp. I9640 (OE), p. I9640 (F); Exhibit C-375 (Addenda), p. I06.
- ⁵ Exhibit C-376(A) pp.I-5.
- ⁶ Testimony of Mr. Guité, Transcripts vol. I08, p. I9640 (OE), p. I9640 (F); Exhibit C-375 (Addenda), p. I06.
- ⁷ Exhibit C-375, p. 2; Testimony of Mr. Guité, Transcripts vol. I08, p. I9652 (OE), p. I9654 (F).
- ⁸ Testimony of Mr. Guité, Transcripts vol. I08, pp. I9652-I9653 (OE), p. I9654 (F).
- ⁹ Testimony of Mr. Guité, Transcripts vol. I10, pp. 20177-20178 (OE), pp. 20184-20186 (F).
- ¹⁰ Testimony of Mr. Guité, Transcripts vol. I08, pp. I9652-I9653 (OE), p. I9654 (F); vol. I10, p. 20177 (OE), p. 20184 (F).
- ¹¹ Exhibit C-375, p. 40; Testimony of Mr. Guité, Transcripts vol. I08, p. I9653 (OE), p. I9655 (F).
- ¹² Exhibit P-I04, tab I.
- ¹³ Testimony of Mr. Lafleur, Transcripts vol. 75, pp. I3157-I3162 (OF), pp. I3145-I3150 (E).
- ¹⁴ Testimony of Mr. Gosselin, Transcripts vol. 82, pp. I4662-I4665 (OF), pp. I4645-I4648 (E).
- ¹⁵ Testimony of Mr. Gosselin, Transcripts vol. 87, pp. I5416-I5418 (OF), pp. I5406-I5408 (E).
- ¹⁶ Testimony of Mr. Guité, Transcripts vol. I09, pp. I9867-I9868 (OE), pp. I9870-I9871 (F).
- ¹⁷ Testimony of Mr. Guité, Transcripts vol. I09, p. I9951 (OE), p. I9962 (F).
- ¹⁸ Mr. Brault was not asked about possible discussions with Mr. Guité because such evidence could have compromised Mr. Brault's pending criminal trial for fraud and conspiracy to defraud (the latter allegations involving Mr. Guité.) The Commissioner is explicitly directed by his mandate "to ensure that the conduct of the inquiry does not jeopardize any ongoing criminal investigation or criminal proceedings" (paragraph k).
- ¹⁹ Exhibit C-375, p. 40.
- ²⁰ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. I6038-I6039 (OF), pp. I6036-I6038 (E).
- ²¹ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. I6032, I6039 (OF), pp. I6031, I6037-I6038 (E).
- ²² Exhibit C-299, after p. 9 (Addenda).
- ²³ Exhibit C-299, after p. 9 (Addenda).
- ²⁴ Exhibit C-299, after p. 9 (Addenda).
- ²⁵ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. I6034-I6037 (OF), pp. I6033-I6036 (E).
- ²⁶ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), p. I6037 (OF), p. I6036 (E).
- ²⁷ Exhibit C-299, after p. 9 (Addenda).

- ²⁸ Exhibit C-299, pp. 10-15.
- ²⁹ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16041-16042 (OF), pp. 16040-16042 (E).
- ³⁰ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16043-16046 (OF), pp. 16041-16045 (E).
- ³¹ Exhibit C-299, pp. 16-19.
- ³² Exhibit C-299, p. 19; Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16040-16042 (OF), pp. 16039-16041 (E).
- ³³ Exhibit C-299, pp. 20-24.
- ³⁴ Exhibit C-299, pp. 25-26.
- ³⁵ Exhibit C-299, p. 39; Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16048-16051 (OF), pp. 16046-16049 (E); Exhibit C-376(A), p. 293; Testimony of Mr. Guité, Transcripts vol. 108, p. 19710 (OE), p. 19716 (F).
- ³⁶ Exhibit C-376(A), p. 293.
- ³⁷ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16050-16051 (OF), pp. 16048-16050 (E).
- ³⁸ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16049-16050 (OF), pp. 16048-16049 (E).
- ³⁹ Testimony of Mr. Guité, Transcripts vol. 108, pp. 19710-19716 (OE), pp. 19716-19722 (F).
- ⁴⁰ Exhibit C-299, pp. 35-36.
- ⁴¹ Exhibit C-299, p. 35.
- ⁴² Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16046-16048 (OF), pp. 16044-16046 (E).
- ⁴³ Exhibit C-299, p. 37.
- ⁴⁴ Exhibit C-299, p. 38.
- ⁴⁵ Exhibit C-376(B), pp. 18, 19, 22-56, 122-138.
- ⁴⁶ Exhibit C-376(B), p. 145.
- ⁴⁷ Testimony of Mr. Guité, Transcripts vol. 108, pp. 19769-19774 (OE), pp. 10780-19786 (F).
- ⁴⁸ Exhibit C-375, p. 40.
- ⁴⁹ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16053-16058 (OF), pp. 16051-16055 (E); Exhibit C-313, pp. 78, 116; Testimony of Mr. Brault, Transcripts vol. 92, pp. 16286-16288 (OF), pp. 16278-16281 (E).
- ⁵⁰ Testimony of Mr. Brault, Transcripts vol. 91 (Part 3), pp. 16109-16114 (OF), pp. 16102-16107 (E); Exhibit C-309, pp. 222-228.
- ⁵¹ Testimony of Mr. Guité, Transcripts vol. 110, pp. 20106-20109 (OE), pp. 20109-20112 (E).
- ⁵² Exhibit C-375, pp. 40-57; Exhibit C-376(A), pp. 168-239.
- ⁵³ Exhibit C-375, pp. 40-57; Exhibit C-376(A), pp. 168-239.
- ⁵⁴ Exhibit C-376(A), pp. 149-150; Testimony of Mr. Guité, Transcripts vol. 108, pp. 19744-19745 (OE), pp. 19752-19754 (F).
- ⁵⁵ Testimony of Mr. Guité, Transcripts vol. 108, pp. 19745-19746 (OE), p. 19754 (F); Testimony of Mr. Hayter, Transcripts vol. 122, p. 22857 (OE), pp. 22866-22867 (F).
- ⁵⁶ Testimony of Mr. Hayter, Transcripts vol. 122, pp. 22858-22859 (OE), pp. 22867-22869 (F).
- ⁵⁷ Testimony of Mr. Hayter, Transcripts vol. 122, pp. 22866-22869 (OE), pp. 22876-22879 (F).
- ⁵⁸ Testimony of Mr. Hayter, Transcripts vol. 122, pp. 22866-22869 (OE), pp. 22876-22879 (F).
- ⁵⁹ Testimony of Mr. Guité, Transcripts vol. 108, pp. 19751-19756 (OE), pp. 19761-19766 (F); Exhibit P-377, p. 1.

- ⁶⁰ Testimony of Mr. Guité, Transcripts vol. I08, p. 19757 (OE), p. 19767 (F).
- ⁶¹ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19749-19751 (OE), pp. 19758-19760 (F).
- ⁶² Testimony of Mr. Guité, Transcripts vol. I08, pp. 19754-19755 (OE), p. 19764 (F).
- ⁶³ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19755-19757 (OE), pp. 19764-19766 (F).
- ⁶⁴ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19757-19759 (OE), pp. 19767-19769 (F).
- ⁶⁵ Testimony of Mr. Hayter, Transcripts vol. I22, pp. 22906-22911 (OE), pp. 22920-22926 (F).
- ⁶⁶ Exhibit C-376(B), pp. 249-252.
- ⁶⁷ Exhibit C-376(A), p. 236; Testimony of Mr. Guité, Transcripts vol. I08, pp. 19760-19761 (OE), pp. 19769-19771 (F).
- ⁶⁸ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19761-19765 (OE), pp. 19771-19776 (F); Exhibit C-376(A), pp. I54A-229.
- ⁶⁹ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19764-19765 (OE), pp. 19775-19776 (F).
- ⁷⁰ Exhibit C-376(A), p. 227.
- ⁷¹ Exhibit C-376(A), pp. 235-236.
- ⁷² Exhibit C-376(A), p. 236.
- ⁷³ Exhibit C-376(A), pp. 238-239.
- ⁷⁴ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19760-19761 (OE), pp. 19769-19771 (F).
- ⁷⁵ Exhibit C-370, p. II; Testimony of Mr. Coffin, Transcripts vol. I06, pp. 19349-19350 (OE), pp. 19354-19355 (F).
- ⁷⁶ Testimony of Mr. Coffin, Transcripts vol. I06, pp. 19350-19351 (OE), pp. 19354-19355 (F).
- ⁷⁷ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19803-19806 (OE), pp. 19818-19822 (F).
- ⁷⁸ Exhibit C-370, pp. 17, 17A.
- ⁷⁹ Testimony of Mr. Coffin, Transcripts vol. I06, pp. 19356-19357, 19470-19474 (OE), pp. 19363, 19488-19492 (F).
- ⁸⁰ Testimony of Mr. Guité, Transcripts vol. I08, pp. 19805-19808 (OE), pp. 19820-19824 (F).
- ⁸¹ Testimony of Mr. Lafleur, Transcripts vol. 74, p. 12904 (OF), p. 12901 (E); Exhibit P-229, p. 3.
- ⁸² Testimony of Mr. Guité, Transcripts vol. I08, pp. 19675-19676 (OE), pp. 19678-19679 (F).
- ⁸³ Exhibit C-376(A), pp. 240-253; Exhibit C-375, pp. 49, 54.
- ⁸⁴ Exhibit C-375, p. 40.
- ⁸⁵ Testimony of Mr. Guité, Transcripts vol. I09, pp. 19981-19986 (OE), pp. 19994-20000 (F).
- ⁸⁶ Testimony of Mr. Guité, Transcripts vol. I09, pp. 19986-19992 (OE), pp. 20000-20006 (F).
- ⁸⁷ Testimony of Mr. Guité, Transcripts vol. I09, pp. 19990-19992 (OE), pp. 20004-20006(F); Exhibit C-376(A), pp. 301, 306.
- ⁸⁸ Testimony of Mr. Brault, Transcripts vol. 91 (part 3), pp. 16037-16038 (OF), pp. 16035-16036 (E); Testimony of Mr. Brault, Transcripts vol. 92, pp. 16294-16296 (OF), pp. 16286-16288 (E).
- ⁸⁹ Testimony of Mr. Lafleur, Transcripts vol. 79, pp. 13822-13825 (OF), pp. 13819-13821 (E).
- ⁹⁰ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18456-18461 (OF), pp. 18443-18446 (F); Testimony of Mr. Guité, Transcripts vol. I08, pp. 19676-19677 (OE), pp. 19679-19680 (F).
- ⁹¹ Testimony of Mr. Boulay, Transcripts vol. I02, p. 18460 (OF), pp. 18445-18446 (E).
- ⁹² Exhibit C-295, pp. 24-27.

- ⁹³ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18439-18441 (OF), pp.18428-18429 (E).
- ⁹⁴ Testimony of Mr. Guité, Transcripts vol. I09, pp. 19839-19843 (OE), pp. 19840-19843 (F).
- ⁹⁵ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18418-18420, 18438-18439 (OF), pp. 18409-18411, 18451-18452 (E); Exhibit P-359, Addenda, p. 7.
- ⁹⁶ Exhibit C-376(B), pp. I60-I61.
- ⁹⁷ Testimony of Mr. Guité, Transcripts vol. I09, pp. 19838-19839 (OE), pp. 19838-19839 (F); Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18418-18420, 18438-18439 (OF), pp. 18408-18410, 18427-18428 (E); Exhibit P-359, Addenda, p. 7; Exhibit P-376(B), pp. I60-I61.
- ⁹⁸ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18406-18408 (OF), pp. 18397-18399 (E).
- ⁹⁹ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18407-18408 (OF), pp. 18398-18399 (E).
- ¹⁰⁰ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18408-18418 (OF), pp. 18399- 18409 (E); Exhibit P-359, p. 3.
- ¹⁰¹ Testimony of Mr. Boulay, Transcripts vol. I02, pp. 18409-18410 (OF), pp. 18400-18401 (E).
- ¹⁰² Testimony of Mr. Guité, Transcripts vol. I08, pp. 19827-19834 (OE), pp. 19843-19851 (F).