

JEAN LAFLEUR

II.I

Introduction

For the years from 1984 until he sold the business to Groupaction in January 2001,¹ Jean Lafleur was the sole shareholder, director and president of Jean Lafleur Communication Marketing Inc. (hereafter Lafleur Communication) and its affiliates.²

On June 30, 1995 Lafleur Communication, as the lead member of a consortium of communication agencies taking part in a competition,³ was declared qualified with the other members of the consortium to receive advertising contracts from PWGSC.⁴ It handled a number of events and projects during the 1995-96 fiscal year,⁵ such as the Montreal Grand Prix, the government publicity at home games played by the Montreal Expos, and the purchase of a large number of Canadian flags. These were not called sponsorships, but rather “special programs”⁶ designed to enhance the federal government’s visibility. We should remember that the Sponsorship Program only came into being in the spring of 1996.

With the birth of the Sponsorship Program in the 1996-97 fiscal year, Lafleur Communication received an avalanche of sponsorship contracts, having a total value of \$16,362,872.⁷ In that year, only one other agency, Vickers & Benson, received a sponsorship contract, and that was for the very special China series⁸ (discussed in Chapter VI). When other agencies became qualified on April 28, 1997 to receive sponsorship contracts,⁹ Lafleur Communication saw the number and value of its sponsorship contracts diminish, but it continued to receive a substantial proportion of the total.¹⁰ By the time the Program came to an end in 2003, it had handled on the Government's behalf contracts having a total value of \$65,464,314.¹¹

Out of this amount, Lafleur Communication received as agency commissions \$3,556,146 and the astounding total of \$28,451,038 as production costs and fees.¹² In other words, in the process of paying to promoters of various events and projects a little more than \$26 million, PWGSC paid to Lafleur Communication more than \$36.5 million in agency commissions, fees and costs.¹³ No other agency charged PWGSC anything quite like this in terms of production costs and fees, as a proportion of the total amount disbursed.

Mr. Lafleur was questioned at length concerning his involvement in the Sponsorship Program and the administration of contracts by his agency. I judged him to be evasive throughout his testimony. He says that he can recall very few details of most of the subjects of interest to the Commission, and I was forced to conclude at an early stage of his testimony that he was a witness determined to disclose as little useful information as possible. He left me with the impression that he had come to fear that a full and frank disclosure of what he knew would result in unpalatable consequences for himself and the members of his family, all of whom were on the Lafleur Communication payroll.¹⁴ It is impossible to accept that an intelligent businessman such as Mr. Lafleur would be unable to remember, either with precision or in a general manner, such important facts as the content of the discussions he must have had with Mr. Guité prior to signing the contracts awarded to his agency in the spring of 1996.¹⁵ Mr. Lafleur says that he is not only unable to remember the content of these discussions, but he cannot recall if any discussions at all occurred, although he presumes that they did.¹⁶ Questioned about the meetings he must have had with Mr. Guité, he replies as follows:

[Unofficial Translation]

I am trying to clarify things for the Commission by saying it's possible and highly probable that there were meetings, that there were exchanges of information, that there were meetings at my office, at Mr. Guité's office, that lists were probably provided. But I'm sorry, I don't have the memory today to be able to tell you what happened ten years ago.¹⁷

Obviously there must have been meetings and discussions with Mr. Guité in 1996 prior to the signature of contracts involving the expenditure by PWGSC of more than \$16 million dollars, and the receipt by Lafleur Communication of millions of dollars in fees and commissions. Mr. Lafleur's complete absence of memory about these dealings with Mr. Guité is nicely contrasted with his testimony that Mr. Guité gave him permission to subcontract without obtaining bids.¹⁸ (Mr. Guité said, "Order them, it's urgent, it's a rush." Mr. Guité also said, "Don't bother with paperwork. Go ahead. Organize yourselves so that it works. I want results.")¹⁹ When this was compared to his claims that he could not remember any of the details of how he came to be awarded contracts by Mr. Guité or of their prior discussions, *it was obvious that the Commission was hearing a witness who was prepared to appear to be slow-witted rather than to give truthful answers.*

On May 29, 1996, Mr. Lafleur's son Éric sent a fax message to Andrée LaRose,²⁰ attaching detailed lists of the sponsorship contracts which Lafleur Communication was already handling for PWGSC, and the events which it expected to handle in 1996 that were not yet the subject of a government contract. The lists are very detailed and include the amounts of commissions and production costs which Lafleur Communication anticipated it would receive.²¹ Although Mr. Lafleur and Éric agree that only the father had authority to conclude and sign contracts with PWGSC,²² Jean Lafleur professes to have no recollection of the list or of how it might have come to be prepared.²³ Éric has a better memory, and testifies that the list was prepared following meetings and discussions between Mr. Lafleur and Mr. Guité, and that he sent the list to Ms. LaRose at the request of his father.²⁴ Mr. Lafleur's inability to remember anything about this cannot possibly be explained by

a faulty memory. The benefit of the doubt and the presumption of good faith that are usually granted to a witness who says that he or she is unable to remember certain facts do not apply to Mr. Lafleur.

To sum up, Mr. Lafleur did not impress me as a credible witness.

II.2

Culture of Entitlement

Mr. Lafleur obviously believes that entertaining lavishly is good for business. Throughout the Sponsorship Program Lafleur Communication spent what must have been a lot of money on business promotion, buying tickets for its clients for hockey games and other sporting events, entertaining them on these occasions and at the Grand Prix, paying for salmon fishing excursions to the Gaspé Peninsula²⁵ and picking up the tab at lunch or dinner.²⁶ Mr. Lafleur was known as a host who entertained sumptuously, either at his home in St-Adolphe-d'Howard²⁷ or at the better restaurants in Montreal and Ottawa. It may safely be assumed that he thought that these expenses were useful and would pay dividends.

Of course there are few limits on what can be spent to solicit private sector clients—although deductions from income are limited by tax law and policy—but it is highly improper and indeed unethical to entertain politicians and public servants involved in the procurement of goods and services from the person or persons doing the entertaining. It is discouraging to note that no one appears to have questioned the propriety of receiving favours from Mr. Lafleur. He was generous with everybody involved in the administration of the Sponsorship Program, starting with Mr. Guité and the public servants working under him, and including persons at the political level who were participating in making decisions about which promoters would receive sponsorships, and who would handle the contracts, such as Jean Pelletier and Jean Carle. He cultivated his friendships with the political establishment at Lafleur Communication's loge at the Bell Centre in Montreal, to which were invited Messrs. Pelletier,²⁸ Carle,²⁹ Gagliano,³⁰ Coderre³¹ and Cauchon,³² and officers of Crown Corporations such as Messrs. Ouellet³³ and LeFrançois.³⁴

Some of these same persons were members of an informal “club des cigares” (cigar club) and would meet a few times a year to eat, smoke cigars and talk.³⁵ Mr. Lafleur was the only representative of an advertising agency to attend meetings of the “club.”³⁶

Other politicians less directly involved in the Sponsorship Program did not hesitate to accept Mr. Lafleur’s hospitality. There was, throughout the period when sponsorship funds were being freely handed out by PWGSC, a sort of culture of entitlement according to which persons enjoying Mr. Lafleur’s largesse apparently did not feel that there was anything wrong in being entertained by someone who was receiving, and hoped to continue to receive, obviously lucrative federal contracts.

II.3 Political Contributions

Lafleur Communication was a generous and regular contributor to the Liberal Party. It made donations of \$8,000, \$14,400, \$28,800 and \$15,250 in the years 1997, 1998, 1999 and 2000, respectively.³⁷ Jean Lafleur made additional personal gifts, as did his son Éric.

Mr. Lafleur says that he does not remember asking his employees to make donations to the election campaign of Yolande Thibault, a Liberal candidate in St-Lambert in the 1997 election.³⁸ However, three of his employees, Pierre Michaud,³⁹ Pierre Davidson⁴⁰ and Stéphane Guertin,⁴¹ say they were asked by him to contribute, and did so, to the tune of \$1,000 each. Two of them⁴² were reimbursed by Lafleur Communication for these contributions.

Mr. Lafleur acknowledges that at the request of Mr. Morselli and Mr. Corbeil, he also lent his efforts to the sale of tickets to Liberal Party fundraising events, such as golf tournaments and cocktail parties.⁴³ He remembers in particular being involved in the financing of the annual golf tournament in Mr. Gagliano’s riding.⁴⁴ Curiously, although Mr. Morselli remembers the fundraising assistance of Mr. Lafleur,⁴⁵ Mr. Corbeil says that he does not, but recalls that Mr. Lafleur attended one meeting of the finance committee of the LPCQ.⁴⁶

It may be concluded that Mr. Lafleur, by his contributions to the Liberal Party of Canada and his active participation in its activities, wished to ingratiate himself with its inner circle. Judging from the sponsorship contracts allocated to him starting in 1996, to the extent they were influenced by political considerations, he succeeded.

II.4

Relationship with Jean Pelletier

Because of the important role that Jean Pelletier, the Prime Minister's Chief of Staff, played in the initiation and management of the Sponsorship Program, both he and Mr. Lafleur were questioned about their relationship and were asked specific questions about when they met for the first time. Their answers to these questions cannot be reconciled, and it must be concluded that at least one of them has not been truthful.

Mr. Pelletier testifies that the first meeting he had with Mr. Lafleur was on the occasion when the latter came to the PMO to thank him for hiring his son Éric Lafleur, who had been engaged by the PMO to take part in a trade mission to South America⁴⁷. He explains that Éric Lafleur had asked Jean Carle to allow him to participate in the trade mission, and was prepared to pay his own way, but Mr. Pelletier preferred that he be given a contract of employment.⁴⁸ It is fair to conclude that Mr. Pelletier, even if he had not yet met Éric's father, knew that the latter was doing business with the Government, and wished to avoid any appearance of impropriety. Documents show that the trade mission took place in January 1998,⁴⁹ so his first encounter with Mr. Lafleur, according to Mr. Pelletier's testimony, must have been around that time.

Mr. Lafleur was extremely careful when testifying not to commit himself to any fact or detail such as meetings or dates, unless he could remember them "precisely" or if he was confronted with the fact or detail in the documentary evidence. Nonetheless, he testifies that in the summer or autumn of 1997,⁵⁰ he invited Mr. Pelletier to have the first of several meals they would share over the years. He is specific in testifying that this first meal took place before

their meeting in the PMO, at which he thanked Mr. Pelletier for hiring *Éric*.⁵¹ He insists that at their meal they did not discuss the Sponsorship Program⁵² in any detail, but in answer to another question, he says that they may have had a general discussion on the topic.⁵³ Later still he testifies that he does not remember discussing the Program with Mr. Pelletier at their meals.⁵⁴ Mr. Pelletier also denies having discussed advertising and sponsorships with Mr. Lafleur.⁵⁵

The evidence leaves two possibilities. The first is that the two had no meal together in 1997, as Mr. Pelletier says. I am not prepared to give serious consideration to this possibility since it is most unlikely that Mr. Lafleur, with his selective memory lapses, would pretend to recollect a meeting which did not in fact occur. This leaves me with the intriguing question of why Mr. Pelletier would prefer not to recall a meal with Mr. Lafleur if nothing compromising was discussed by them. The second possibility is that they indeed met for a meal and discussed the Sponsorship Program in general, but not in any detail. We can safely disregard Mr. Lafleur when he contradicts himself and says he cannot remember whether or not they discussed the Program.

Mr. Lafleur says that the conversations he had at this and subsequent meals with Mr. Pelletier were generally about politics, federalism and current events; that they discussed nothing in particular.⁵⁶ However, Mr. Pelletier describes himself as an exceedingly busy man, working very long hours.⁵⁷ It is highly improbable that in the summer or fall of 1997 he had time for meals with a virtual stranger for no purpose other than to have a pleasant conversation about nothing in particular other than the political situation in Quebec. It is even more improbable that these two persons would not have talked about the Sponsorship Program, considering that it had suddenly become by far the most important source of business for Mr. Lafleur's agency, which, as always, paid for the meal.⁵⁸

The testimony of Mr. Lafleur must also be considered in the light of a memorandum he sent to Mr. Pelletier on June 11, 1998.⁵⁹ Mr. Pelletier testifies that prior to that date the two men met by chance on an Ottawa street and that Mr. Lafleur used the encounter to bemoan the fact that the volume of

sponsorship contracts he was receiving from PWGSC had diminished sharply, asking Mr. Pelletier if he would do something about it. Mr. Pelletier did not say No to the request, and says that he suggested that Mr. Lafleur send him details of the problem in writing.⁶⁰ The memorandum arrived a few days later. Mr. Lafleur essentially confirms this testimony about their chance encounter and the reason why he wrote to Mr. Pelletier.⁶¹

It includes a very detailed list of the sponsorship contracts, totalling more than \$12 million, awarded to Lafleur Communication in the 1997-98 fiscal year, and the contracts awarded to date in the current year of 1998-99, which amount to only \$2,532,200. Those two lists are reproduced in Figure XI-I. Added to the lists of past and current contracts are lists of other projects and events that had been proposed, presumably by Lafleur Communication, for the current year, and several pages of written material indicating how desirable they would be from the point of view of the visibility they would give to the federal government. The last page is another list of proposed projects, describing their advantages.

Nothing resulted from this communication. Mr. Pelletier did not act upon it,⁶² and no additional sponsorship contracts can be shown to have been awarded to Lafleur Communication as a result of it. *However, the mere fact that it was sent establishes that in the opinion of Mr. Lafleur, Mr. Pelletier was a central figure making decisions about which events to sponsor, and that he was a good person to speak to on the question of which agency would receive sponsorship contracts.* Mr. Lafleur did not direct his plea for more business or send the memo to Mr. Guité or to Mr. Gagliano. It is fair to conclude that he had formed his opinion on the basis of his past contacts with Mr. Pelletier, which were, according to both men, limited to their lunches together. From all of this the conclusion is inescapable that at their lunches they discussed, in much more than a general way, the Sponsorship Program.

Figure XI-1: Memo to Jean Pelletier—Lafleur sponsorship contracts.

**PROJETS RÉALISÉS PAR LAFLEUR POUR TPSGC
L'ANNÉE DERNIÈRE
Année fiscale 1er avril 1997 au 31 mars 1998.**

DOSSIERS	MONTANT TOTAL
Aboriginal Day Toronto	235 750,00
Bluenose Tour Ontario, Québec et Atlantik	2 300 000,00
Concours équestre de Blainville	125 000,00
Concours hippique de Québec	71 500,00
Emission Bluenose	245 836,00
Expo 2005 Calgary	292 500,00
Expos de Montréal	1 223 760,00
F1 Montréal	649 750,00
Jeux du Québec - Montréal	769 000,00
Mardis Cyclistes de Lachine	101 500,00
Maurice Richard - Film et statue	235 000,00
Melgarde & Capitales	300 000,00
Molson Indy Toronto	496 358,00
Molson Indy Vancouver	354 647,00
Musée Grande Cascapédia	235 660,00
Promotion Items	680 000,00
Promotion Via Etudiants	656 450,00
Raïales de Québec	231 000,00
Série du Siècle	310 000,00
Internationaux de Tennis Junior du Canada	93 000,00
Centre interprétation Saumou - Causapsca	35 500,00
Promotion Golf	12 500,00
Bell Canadian Open TV	35 500,00
Unityfest	17 750,00
Festival des couleurs de St-Donat	12 000,00
Club Aviron Montréal	19 250,00
Il Citadino	59 000,00
Golf Maladies infantiles	17 750,00
Souper bénéfice GRC	17 750,00
Budget développement Tour Canada	41 500,00
Promotion Groupes ethniques	71 250,00
Promotion philatélique écoles Canada	82 250,00
Via Canada "On Board Promotion"	79 500,00
Festival de Jazz et Festival Juste pour rire	76 750,00
Train de l' Espace	74 000,00
Expos de Mtl - Caravane	54 750,00
Canadiens de Montréal	345 000,00
Promotion Vite sur tes patins - Canadiens	240 000,00
Magazine Publicité	373 750,00
125e GRC	170 000,00
Items promotionnels	367 500,00
Concours équestres	46 000,00
Expos & Blue Jays	68 000,00
Promotion Mont-Tremblant	68 750,00
Causapsca	29 000,00
Photographie italienne	6 000,00
Promotion Canadiens-Toronto	100 000,00
TOTAL	12 127 711,00

PROJETS EN COURS EN DATE DU 10 JUIN 1998

(Année fiscale du 1er avril 1998 au 31 mars 1999)

Canadien de Montréal	297 200\$
Promotion & Logo Canada - Via	500 000\$
Hockey Amateur	10 000\$
Commandite Diner Saumon - Timbre	36 250\$
Internationaux de Tennis Junior du Canada	59 750\$
125e Anniversaire GRC	1 120 000\$
Publicité Magazine Via	500 000\$
Téléserie - Le Millénaire	10 000\$
TOTAL :	<u>2 532 200\$</u>

PROJETS EN COURS A PAREILLE DATE

L'ANNÉE DERNIÈRE (2 juin 1997)

8 328 711\$

ÉCART NÉGATIF À CE JOUR

(5 796 511\$)

II.5

The Lafleur Invoices

Mr. Lafleur and several Lafleur Communication employees (Éric Lafleur, Pierre Michaud, Pierre Davidson and Stéphane Guertin) were examined at the Commission's hearings regarding their administration of several sponsorship contracts handled by the Lafleur agency and the resulting invoices sent to PWGSC. Many of the invoices needed a lot of explaining, and the explanations were not always satisfactory. As the evidence accumulated, it established that there had been repeated instances of irregularities and overcharging, although according to the evidence no invoice was ever challenged or questioned by the personnel at PWGSC.

Taken as a whole, it is possible to identify at least eight categories of consistent overbilling by Lafleur Communication:

- I. There was no clear idea, even among the officers and employees of Lafleur Communication, of what agency services were covered by the 12% commission, and what work could be invoiced as production costs and fees.⁶³ This made it possible for the Lafleur agency, in almost every case, to invoice all of the recorded time worked on a contract as production costs, with the result that the commission of 12% was paid to and received by the company in consideration for nothing more than opening the file. When Mr. Lafleur was questioned about this, he took the position that if the contract authorized him to receive a commission, he was legally entitled to it even if no services were rendered in exchange.⁶⁴ The problem would have been avoided if PWGSC had provided to the agencies handling sponsorship contracts a clear definition of those services for which the 12% commission would be paid.
2. Mock-ups ("maquettes") were billed by Lafleur Communication at a flat rate of \$2,750 each. Mr. Lafleur testifies that the flat rate was in accordance with industry standards and a verbal agreement he reached with Mr. Guité, and represented an approximate average cost for the preparation of a mock-up.⁶⁵ However, his own employee, Pierre

Michaud, expresses the opinion that the approximate cost for the company to produce a mock-up was between \$275 and \$300.⁶⁶ Gaëtan Sauriol, who worked as a graphic technician for PluriDesign and prepared a number of mock-ups, testifies that the cost of producing one varies enormously, depending upon the complexity of the project.⁶⁷ The Commission concludes that the billing of all mock-ups at \$2,750 each constituted blatant overcharging.

3. In many instances, hours of work attributed to Mr. Lafleur were charged on projects where he had little or nothing to do. Generally his functions were limited to meetings with Mr. Guité to secure contracts from PWGSC, for which he should not have been charging, and overseeing the work of others, including those in the accounting department of Lafleur Communication who prepared the bills.⁶⁸ His son Éric, asked to explain 78 hours billed for his father's work on the Expos file, admitted that he could not explain them and that the number of hours seemed high.⁶⁹ He was also surprised to see that his father had charged 27 hours for work on the production of promotional items, which was a file Éric looked after without his father's participation.⁷⁰ Supervisory work would, in almost anybody's interpretation of what should usually be covered by the 12% commission, not be treated as production costs.
4. The charges for hours worked were sometimes billed at a higher rate than the work justified. One particularly outrageous example occurred when 29 hours of work devoted by Éric Lafleur to packaging and shipping promotional items was billed to PWGSC at the rate of \$245 an hour, a fee normally applied to an account director.⁷¹ Packaging and shipping work could better be put in the category of clerical work, to be billed at \$40 an hour.
5. It was shown that the amount foreseen in the contract as an allowance for production costs was almost invariably billed in full to PWGSC, although the allowance fixed at the time the contract was negotiated with PWGSC⁷² could only predict in an approximate way what the actual production costs would be. The Commission is left with the

impression that even when the work was less time-consuming than had been originally foreseen, the invoice would be adjusted upwards.

6. There were inexplicable variations in the hours billed for the same event when it was sponsored for more than one year.⁷³ It is reasonable to presume that to provide the Government with equivalent visibility in the second year, Lafleur Communication employees would be required to spend fewer hours to work out and execute the visibility plan (assuming that there was one), even considering that there may have been variations in the project from year to year. For example, a sponsorship of \$536,800 paid to the Montreal Expos in 1995 was renewed for the same amount in 1996, but the number of hours of work of the Lafleur agency employees on the contract increased from 234 to 1,105 in 1996.⁷⁴ Even taking into account special promotions that occurred in 1996,⁷⁵ the increase in the number of hours charged to PWGSC cannot be justified. Sample invoices of this nature are reproduced in Figure VI-2.
7. Three persons who were on the books of Lafleur Communication as employees, Pierre Davidson, Daniel Lévesque and Stéphane Guertin, considered themselves independent contractors and had formed their own companies, which billed the Lafleur agency for the work they performed.⁷⁶ (Mr. Guertin later became a Lafleur Communication employee.)⁷⁷ The accounts they sent the Lafleur agency were in turn billed to PWGSC.⁷⁸ Where they billed for their time, Lafleur Communication rebilled that time at a rate that greatly exceeded what the agency had paid. Where they billed a flat rate for work done, Lafleur Communication billed for production, plus a percentage markup. If this were not bad enough, Lafleur Communication also billed for that person's hours as if he were an employee, again at a much higher rate.⁷⁹ The net result was that PWGSC was charged twice for the same work, sometimes at exaggerated rates, and also paid unearned markups on the so-called subcontracts.

8. Work was subcontracted by Lafleur Communication without competitive bids as required by the conditions of the standard PWGSC contract. The most flagrant examples of this were subcontracts given by the Lafleur agency to Éric Lafleur's company, Publicité Dezert,⁸⁰ which for a time operated out of the same premises as Lafleur Communication.⁸¹ Jean Lafleur justified this practice by asking for Mr. Guité's approval of an exemption from the contract condition, on the grounds of time constraints and an alleged urgency in having the contract completed.⁸² There was in fact no real urgency. The participation of Messrs. Lafleur and Guité in this stratagem to get around the intent of the Government's Contracting Policy cannot be excused. The Commission heard no evidence that PWGSC saved any money or time, or gained any expertise, when Lafleur Communication subcontracted sponsorship work to Publicité Dezert. As an employee of Lafleur Communication, Éric Lafleur, its vice-president,⁸³ could just as easily have done this work directly for Lafleur Communication rather than by subcontracting it to his own firm. The transparent purpose of the subcontract was twofold: it permitted Publicité Dezert to charge Lafleur Communication a markup on the price it paid to obtain the goods or services it procured from others,⁸⁴ and it permitted Lafleur Communication to charge a commission of 17.65% on the amount of the Publicité Dezert invoice. These two surcharges were in addition to the cost to PWGSC of having the subcontract given to a related company without competitive bidding. The effect of all of this was the payment by PWGSC of vastly greater amounts than would have been paid otherwise for the same goods and services.

From the many sponsorship contracts which were the subject of evidence presented to the Commission in the course of the hearings, three will be examined as examples of the abuses, mismanagement and overcharging described in general terms in the preceding paragraphs.

II.6

RCMP Anniversary Celebration

Mr. Lafleur solicited and obtained from Mr. Guité a sponsorship of \$500,000 to assist the Quebec Division of the RCMP in celebrating its 125th anniversary. This amount was employed in various ways, two of which will be examined in some detail.

The RCMP planned to hold a regimental ball in Montreal as part of the anniversary activities. Originally it had expected that this event would be self-financed by the sale of tickets and beverages.⁸⁵ Nevertheless, Lafleur Communication set to work to assist the RCMP in planning this activity, and gave a subcontract to Xylo Concept Graphique Inc., the company owned and operated by its sometime employee Pierre Davidson, to prepare a report on where the ball should take place.⁸⁶ Mr. Davidson, at the suggestion of Mr. Lafleur, engaged Mr. Corriveau of PluriDesign to work on this project.⁸⁷ Mr. Corriveau looked at three possible locations: a tent at the Old Port, Windsor Station and Bonsecours Market. He came to the conclusion that the Windsor Station location was preferable.⁸⁸ He testifies that to come to this conclusion, he had to make studies of all three locations and to map out how the spaces would be best used and decorated, and then prepare a report.⁸⁹ For this work, on December 3, 1997, PluriDesign billed Xylo \$35,000 plus taxes.⁹⁰

No matter how carefully Mr. Corriveau studied the three possibilities, \$35,000 seems to be a very high price to pay for advice as to where a ball would best be held, but the story does not end there.

On December 8, 1997, Xylo billed Lafleur Communication \$41,500 for the same work, although the invoice refers to a fourth possible location at the Marriott Château Champlain.⁹¹ In effect, Mr. Davidson added \$6,500 to the PluriDesign bill. He testifies that this charge was for his “co-ordination” of the project.⁹² On April 15, 1998, Xylo sent a supplementary bill to Lafleur Communication for \$6,000 for additional work such as designing the layout of the space at Windsor Station, and preparing sketches.⁹³

Of course the RCMP did not see any of this money, but it is fair to assume they were assisted in planning the ball by the advice and plans prepared for them at taxpayers' expense by PluriDesign and Xylo. We do not know precisely how Lafleur Communication recovered from PWGSC the amounts it paid to Xylo, or the amount paid by Xylo to PluriDesign, because none of the invoices sent to PWGSC which have turned up in its files refer to the subcontracts or the amounts paid to subcontractors.⁹⁴

Five invoices sent by Lafleur Communication to PWGSC refer to the RCMP anniversary project.⁹⁵ They are dated March 5, April 1, July 1, September 17 and December 15, 1998. They total, without taxes, \$469,845, of which \$88,000 is for 32 mock-ups at \$2,750 each. The remainder is for time recorded by different Lafleur Communication employees, some of whom testified about the work they performed on the RCMP file. The testimony of Mr. Davidson is particularly revealing.

Mr. Davidson testifies that the only work he performed in the RCMP file had to do with the selection of the site for the regimental ball, which was essentially subcontracted to PluriDesign, and the design of various promotional items that were distributed by the RCMP as part of its anniversary activities.⁹⁶ These designs, together with the plans for the regimental ball locations, are probably the basis of the charge for mock-ups. Mr. Davidson does not believe that any other Lafleur Communication employee or subcontractor produced mock-ups related to the RCMP file.⁹⁷ He adds that all of his time and charges for his work in the file were billed to Lafleur Communication by Xylo in the two accounts already referred to and an additional account dated March 24, 1998, for \$28,070 plus taxes.⁹⁸ He says categorically that he worked on the file only as an employee of Xylo, for which he was compensated by Xylo's accounts to Lafleur Communication, and that he did not record time as an employee of Lafleur Communication in connection with the RCMP file.⁹⁹

For this reason, Mr. Davidson was surprised to learn about charges that appear on the Lafleur Communication invoices to PWGSC for hours worked by P. Davidson, described in the invoice as a "creative director."¹⁰⁰ On the first

three invoices PWGSC is charged for 115 hours,¹⁰¹ 240 hours¹⁰² and 119.5 hours¹⁰³ of Mr. Davidson's time, billed at the rate of \$180 per hour, amounting to a total of \$85,410. As far as Mr. Davidson is concerned, no part of this amount is justified.¹⁰⁴

It is possible that Lafleur Communication, which as already noted does not show any amounts paid to subcontractors on its invoices, intended to mask such payments by billing as it did, and that Xylo's three accounts to Lafleur Communication, which total \$75,570¹⁰⁵ plus taxes, are buried within the \$85,410 of hourly charges on its invoices. If this is so, questions remain as to why it was considered necessary to falsify Lafleur Communication invoices in this way, and for what reason Xylo's accounts give rise to a markup of approximately \$10,000. Whatever answers to these questions might be given, the least that can be said is that the Lafleur Communication invoices are false, misleading and excessive.

II.7

Encyclopédie du Canada 2000

Since late 1997, Les Éditions Alain Stanké had been looking for financial assistance to enable it to complete the publication and printing of 15,000 copies of the *Encyclopédie du Canada 2000*, to be distributed free of charge to schools across Canada.¹⁰⁶ The project was enthusiastically supported by a Liberal Senator,¹⁰⁷ and on September 1, 1999, Mr. Tremblay confirmed to Mr. Lafleur that Lafleur Communication would be awarded a contract to manage the sponsorship of the project,¹⁰⁸ according to which Éditions Stanké would receive a sponsorship of \$1.2 million.¹⁰⁹ The contract stipulates that the commission payable to Lafleur Communication for managing the contract would be 12% of that amount, or the sum of \$144,000, and an additional sum of \$36,000 would be paid to the Agency of Record, Média IDA/Vision.¹¹⁰ Mr. Lafleur was unable to tell the Commission exactly what work his agency would be obliged to perform to earn its commission of \$144,000.¹¹¹ On the face of it, no work was required, other than to assure PWGSC that the required visibility of Canada, in the form of an inscription on the jacket, cover and bookmark and in the preface, had been provided.

Nearly a year later, on August 22, 2000, a second contract was awarded to Lafleur Communication in connection with the same project.¹¹² This time the services expected of Lafleur Communication were specified; it would be paid \$9 per copy, \$135,000 in total, to see to the distribution of the 15,000 copies of the encyclopedia to Canadian schools, and would receive an additional \$100,000 to pay for the printing cost of written material which would accompany each copy.¹¹³ The sum of \$100,000 was duly paid to Éditions Stanké, which looked after the printing part of the contract.¹¹⁴ Mr. Guertin of Lafleur Communication was given responsibility for the other aspects of the file, working under the supervision of Éric Lafleur.

Most of the difficulties concerning this matter come from confusion surrounding the delivery of the encyclopedias. The publisher, Mr. Stanké, had hoped that distribution could be entrusted to a non-profit organization called Travail sans frontières, which gave employment to young persons attempting to gain entry to the labour market,¹¹⁵ but Lafleur Communication did not seem interested in the economies that would result from such an arrangement, and instead had the encyclopedia delivered by Canada Post, at a cost of \$43,185.40, to which Lafleur Communication added an agency commission of \$7,622.22.¹¹⁶ The total amount billed to PWGSC was \$134,382.49,¹¹⁷ coming within \$1,000 of the amount estimated (\$135,000) when the contract was awarded.¹¹⁸ The difference between \$134,382.49 and what was paid to Canada Post and for other disbursements was charged as fees for time spent on the file by Lafleur Communication employees. It is difficult to imagine that there is any justification for fees of more than \$69,000 for what was a very simple project. Mr. Guertin's testimony did little to enlighten the Commission about the hours of work charged to the file. Compounding the problem, apparently no work or services by any employee was covered by the commission of \$144,000. The Canadian taxpayer ended up compensating Lafleur Communication more than \$213,000 for its services plus over \$65,000 in disbursements for arranging the delivery of 15,000 encyclopedias.

To make matters worse, after paying to warehouse these volumes for a few months (the cost of storage was duly billed to PWGSC), the delivery was

not successfully accomplished. Approximately 300 copies of the encyclopedia were not delivered for a variety of reasons, such as an incorrect address, a move by the addressee, or a refusal to accept delivery. Ultimately someone decided the books should be disposed of in a landfill site. No one is able or willing to say who made the decision.¹¹⁹

II.8

Grand Prix du Canada 1996

The Lafleur agency was chosen by PWGSC to manage the sponsorship of the Formula I race known as the Grand Prix du Canada in every year except 1998¹²⁰ when, for reasons that no one has been able to explain in a satisfactory manner, it was given to Groupaction. Mr. Guité proposes that it was appropriate from time to time to change agencies for important events; but if this was the true reason for the introduction of a new agency in 1998, the event should not have reverted to Lafleur Communication in 1999,¹²¹ but should have been assigned to another agency altogether. Mr. Guité testifies that the agency change in 1998 was decided by the Minister's office.

Be that as it may, Lafleur Communication received the contract in 1996,¹²² after having managed a similar contract in 1995¹²³ when the amount paid to the organizers of the Grand Prix was to entitle advertising by the Government at the event, rather than to enhance its visibility. The amount of the sponsorship payable to the promoter was fixed at \$325,000,¹²⁴ compared to \$300,000¹²⁵ in 1995, and the total amount to be disbursed by PWGSC, including the sponsorship payment and all agency fees and commissions, was fixed at a maximum of \$536,000,¹²⁶ compared to \$501,000¹²⁷ in the previous year.

Two invoices were sent by Lafleur Communication to PWGSC, on June 12¹²⁸ and 28, 1996,¹²⁹ for amounts of \$110,280 and \$425,703, respectively. They add up to \$535,983,¹³⁰ which is exactly \$17 less than the amount foreseen in the contract to be the maximum the Government would be called upon to disburse. Either PWGSC was extraordinarily accurate in its estimates, or this is an indication that the invoices sent by Lafleur Communication to

PWGSC were tailored to fit the fees and production costs allowed. Let us examine the invoices more closely to see which of these possibilities is the more probable.

The invoice of June 12 includes a charge of \$68,750 for 25 mock-ups at \$2,750 each.¹³¹ No witness was able to explain what these mock-ups were for, or who prepared or designed them.¹³² Usually the preparation of mock-ups was work done by Pierre Davidson, but he testifies that he does not remember working on the Grand Prix project in 1996, and that if he did, it would have only been to design the cover page of the activity report, which would not have necessitated more than 30 minutes of his time.¹³³ Éric Lafleur, who was in charge of the Grand Prix project in 1996 and other years, was unable to remember why so many mock-ups would have been necessary, saying that he agrees that 25 mock-ups seem to be a large number (“un nombre important de maquettes”) (a significant number of mock-ups).¹³⁴

The second amount charged in the June 12 invoice represents fees for nine employees of Lafleur Communication, charged at their respective hourly rates ranging from \$275 per hour for Jean Lafleur to \$40 per hour for clerical support. The charges, which represent hours worked in the period from April 9 to May 31, come to a total of \$41,530.¹³⁵ The individual who worked the most hours in that period was, understandably enough, Éric Lafleur, whose hourly rate as “account director” was \$245, which I consider to be an excessive rate for a young man who had been in the labour market for less than four years and had not yet completed his MBA.

The invoice of June 28 includes \$325,000 for the amount of the sponsorship to be paid to the promoter, \$39,000 for the agency commission of 12% of \$325,000, \$8 for delivery costs and \$61,695 as fees for the time of Lafleur Communication employees during the period from June 3 to 28,¹³⁶ when the project had been completed. Of the last amount, the 102 hours of work on the file by Éric was the most important, accounting for \$24,990. He testifies that the number of hours charged by other employees, such as Pierre Michaud and Philippe Mayrand, were surprisingly high.¹³⁷ Looking at both invoices together, they reveal that a total of 593.5 hours were billed to the client.¹³⁸

Éric Lafleur himself, in charge of the project, considered that to be surprising.¹³⁹ The Commission shares his opinion.

If he had said that the hours charged to the file were surprisingly low, it might be possible to argue, as Jean Lafleur did when testifying about this and other invoices where the amount charged almost exactly corresponds to the maximum anticipated production costs, that his accounting staff might have actually reduced the recorded time charges to make them correspond to the production costs predicted.¹⁴⁰ **What is more probable is that the hours were arbitrarily increased by someone when the account was prepared.**

II.9

Financial Results

Sponsorship and advertising contracts awarded to Lafleur Communication by the Government of Canada had an enormous effect upon its revenues and the personal incomes of Mr. Lafleur and the members of his family who worked for the agency and Publicité Dezert.

In 1993 and 1994, before the sudden increase in government business occurred, Lafleur Communication had gross revenues of approximately \$1 million per year,¹⁴¹ of which less than 25% was distributed to its employees as salaries and bonuses.¹⁴² Starting in 1995 its revenues zoomed upwards to a high of more than \$22 million in 1996, decreasing slightly to \$21 million in 1997.¹⁴³ In those same years Publicité Dezert had gross revenues, mostly due to subcontracts from Lafleur Communication, of \$1.1 million and \$3.4 million, respectively.¹⁴⁴

Most of the net revenues earned by Lafleur Communication and Publicité Dezert were paid out to Mr. Lafleur and his wife and children in the form of salaries and bonuses.¹⁴⁵ These amounted to a total of more than \$12 million for the taxation years from 1995 to 2000, inclusively, an average of about \$2 million per year. In January 2001, Mr. Lafleur's holding company sold its shares in Lafleur Communication to a company controlled by Jean Brault for a price of not less than \$1.1 million and not more than \$3.2 million, depending upon the financial performance of the newly acquired subsidiary.¹⁴⁶

All in all, it may be concluded that his cultivation of close relationships with certain members of the Liberal Party, combined with the contracts awarded to his agency as a result of the Sponsorship Program, contributed to what might be described as a financial bonanza for Jean Lafleur and his family.

Endnotes to Chapter XI

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- ¹ Exhibit P-215(A), pp. 21-57; Exhibit P-229, p.1.
- ² Exhibit P-229, pp. 1-3; Exhibit P-215(A), p. 2.
- ³ Exhibit P-233, pp. 14, 17, 67.
- ⁴ Exhibit P-233, pp. 1-4, 10-12.
- ⁵ Exhibit P-216, pp. 5-9.
- ⁶ Exhibit P-65(B).
- ⁷ Exhibit P-216, pp. 2, 9-12.
- ⁸ Testimony of Mr. Guité, Transcripts vol. 33, pp. 5767-5768 (OE), pp. 5788-5789 (F); Exhibit P-112, tab 12.
- ⁹ Exhibit P-19, tab 41.
- ¹⁰ Exhibit P-216, p. 2; Exhibit P-428(A), p. 24.
- ¹¹ Exhibit P-216, p. 2.
- ¹² Exhibit P-216, p. 2.
- ¹³ Exhibit P-216, p. 2.
- ¹⁴ Exhibit P-216, pp. 106-107; Exhibit P-428(A), pp. 92-93.
- ¹⁵ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13157-13162 (OF), pp. 13145-13151(E).
- ¹⁶ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13157-13162 (OF), pp. 13145-13151 (E).
- ¹⁷ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, p. 13134 (OF), pp. 13124-13125 (E).
- ¹⁸ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. 13258-13260 (OF), pp. 13257-13260 (E).
- ¹⁹ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. 13274-13276 (OF), p. 13263-13264 (E).
- ²⁰ Exhibit P-106(A), tab 16.
- ²¹ Exhibit P-106(A), tab 16.
- ²² Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13162-13164 (OF), p. 13150-13151 (E); Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. 14076-14077, 14081-14082 (OF), pp. 14071-14073, 14074-14076 (E).
- ²³ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13158-13165 (OF), pp. 13146-13153 (E).
- ²⁴ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. 14076-14079 (OF), pp. 14071-14074 (E).
- ²⁵ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13077-13078 (OF), pp. 13074-13076 (E).
- ²⁶ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13072-13073 (OF), pp. 13070-13071 (E); Testimony of Mr. Jean Lafleur, Transcripts vol. 76, p. 13321 (OF), p. 13315 (E).
- ²⁷ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13074-13075 (OF), pp. 13072-13074 (E).
- ²⁸ Testimony of Mr. Pelletier, Transcripts vol. 71, pp. 12437-12438 (OF), pp. 12426-12427 (E); Exhibit P-202, pp. 41, 43.

- ²⁹ Testimony of Mr. Carle, Transcripts vol. 70, pp. 12239-12240 (OF), pp. 12228-12229 (E); Exhibit P-202, pp. 41, 43; Testimony of Mr. Jean Lafleur, Transcripts vol. 79, p. 13809 (OF), pp. 13806-13807 (E).
- ³⁰ Testimony of Mr. Gagliano, Transcripts vol. 68, pp. 11767-11768 (OF), pp. 11758-11759 (E); Exhibit P-202, pp. 41, 43; Testimony of Mr. Jean Lafleur, Transcripts vol. 79, p. 13808 (OF), pp. 13805-13806 (E).
- ³¹ Testimony of Mr. Jean Lafleur, Transcripts vol. 79, p. 13808 (OF), p. 13806 (E).
- ³² Testimony of Mr. Cauchon, Transcripts vol. 65, p. 11319 (OF), p. 11311 (E); Exhibit P-202, pp. 41, 43.
- ³³ Testimony of Mr. Jean Lafleur, Transcripts vol. 79, p. 13809 (OF), pp. 13806-13807 (E); Exhibit P-202, p. 41.
- ³⁴ Testimony of Mr. LeFrançois, Transcripts vol. 53, p. 9216 (OF), pp. 9205-9206 (E); Exhibit P-202, pp. 41, 43.
- ³⁵ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13075-13076 (OF), pp. 13073-13074 (E).
- ³⁶ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, p. 13076 (OF), p. 13074 (E).
- ³⁷ Exhibit P-428(D), p. 780.
- ³⁸ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13238-13240 (OF), pp. 13219-13221 (E); vol. 79, pp. 13799-13802 (OF), pp. 13798-13801 (E).
- ³⁹ Testimony of Mr. Michaud, Transcripts vol. 79, pp. 13895-13898 (OF), pp. 13886-13889 (E); Exhibit P-232(A), p. 2.
- ⁴⁰ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13959-13962 (OF), pp. 13946-13949 (E); Exhibit P-232(A), p. 2; Exhibit P-243(A), p. 5.
- ⁴¹ Testimony of Mr. Guertin, Transcripts vol. 81, pp. 14421-14425 (OF), pp. 14408-14411 (E).
- ⁴² Testimony of Mr. Michaud, Transcripts vol. 79, pp. 13896-13897 (OF), p. 13888 (E); Testimony of Mr. Guertin, Transcripts vol. 81, p. 14423 (OF), pp. 14409-14410 (E).
- ⁴³ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13086-13089 (OF), pp. 13082-13085 (E).
- ⁴⁴ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, p. 13086 (OF), pp. 13082-13083 (E).
- ⁴⁵ Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23878-23880 (OF), pp. 23875-23876 (E).
- ⁴⁶ Testimony of Mr. Corbeil, Transcripts vol. 115, pp. 21396-21397 (OF), pp. 21371-21372 (E).
- ⁴⁷ Testimony of Mr. Pelletier, Transcripts vol. 71, p. 12429 (OF), pp. 12418-12419 (E).
- ⁴⁸ Testimony of Mr. Pelletier, Transcripts vol. 71, pp. 12429-12430 (OF), pp. 12418-12419 (E).
- ⁴⁹ Exhibit P-247; Exhibit P-248.
- ⁵⁰ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. 13317-13321 (OF), pp. 13310-13315 (E).
- ⁵¹ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. 13315-13316 (OF), p. 13309 (E).
- ⁵² Testimony of Mr. Jean Lafleur, Transcripts vol. 76, p. 13318 (OF), pp. 13311-13312 (E).
- ⁵³ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, p. 13319 (OF), pp. 13312-13313 (E).
- ⁵⁴ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. 13319, 13322 (OF), pp. 13312-13313, 13315-13316 (E).
- ⁵⁵ Testimony of Mr. Pelletier, Transcripts vol. 71, pp. 12436-12437 (OF), pp. 12425-12426 (E).
- ⁵⁶ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. 13319-13320 (OF), pp. 13313-13314 (E).
- ⁵⁷ Testimony of Mr. Pelletier, Transcripts vol. 71, pp. 12326-12327 (OF), pp. 12324-12326 (E).

- ⁵⁸ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, p. I332I (OF), p. I33I5 (E).
- ⁵⁹ Exhibit P-208(A), pp. I19-I29.
- ⁶⁰ Testimony of Mr. Pelletier, Transcripts vol. 71, pp. I2434-I2436 (OF), pp. I2423-I2424 (E).
- ⁶¹ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. I3323-I3325 (OF), pp. I33I7-I33I8 (E).
- ⁶² Exhibit P-2I6, p. 86; Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. I3323-I3325 (OF), pp. I33I7-I33I8 (E).
- ⁶³ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. I4I34-I4I38 (OF), pp. I4I23-I4I27 (E); Testimony of Mr. Guertin, Transcripts vol. 82, pp. I4596-I4600 (OF), pp. I4584-I4588 (E); Testimony of Mr. Michaud, Transcripts vol. 79, pp. I3920-I3925 (OF), pp. I3909-I39I5 (E).
- ⁶⁴ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. I3I89-I3I92 (OF), pp. I3I73-I3I76 (E).
- ⁶⁵ Testimony of Mr. Jean Lafleur, Transcripts vol. 77, pp. I346I-I3463 (OF), pp. I3455-I3457 (E); vol. 78, pp. I3743-I3744 (OF), pp. I3730-I3732 (E).
- ⁶⁶ Testimony of Mr. Michaud, Transcripts vol. 79, p. I393I (OF), pp. I39I9-I3920 (E).
- ⁶⁷ Testimony of Mr. Sauriol, Transcripts vol. IOI, pp. I8203-I8205 (OF), pp. I8I92-I8I93 (E).
- ⁶⁸ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. I4236-I4237, I4065-I4067, I4070 (OF), pp. I42I6-I42I7, I406I-I4063, I4065-I4066 (E).
- ⁶⁹ Testimony of Mr. Éric Lafleur, Transcripts vol. 8I, pp. I4333-I4334 (OF), pp. I4325-I4326 (E).
- ⁷⁰ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. I4I82-I4I83 (OF), pp. I4I67-I4I68 (E); Exhibit P-226, p. I73.
- ⁷¹ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. I4I40-I4I42 (OF), pp. I4I29-I4I3I (E).
- ⁷² Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. I3I0I-I3I03 (OF), I3096-I3097 (E); vol. 78, pp. I3762-I3763 (OF), pp. I3748-I3749 (E).
- ⁷³ Exhibit P-2I6(B), pp. I9-20, IO-II.
- ⁷⁴ Exhibit P-2I6(B), pp. IO-II.
- ⁷⁵ Testimony of Mr. Éric Lafleur, Transcripts vol. 8I, p. I4337 (OF), p. I4329 (E).
- ⁷⁶ Testimony of Mr. Davidson, Transcripts vol. 79, p. I3953 (OF), pp. I3940-I394I (E); Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. I3I74-I3I83 (OF), pp. I3I6I-I3I70 (E); Testimony of Mr. Guertin, Transcripts vol. 8I, pp. I4408-I44I0 (OF), pp. I4396-I4398 (E).
- ⁷⁷ Testimony of Mr. Guertin, Transcripts vol. 8I, pp. I4403-I4404 (OF), pp. I439I-I4393 (E); Testimony of Mr. Guertin, Transcripts vol. 82, pp. I4579-I4580 (OF), p. I4568 (E).
- ⁷⁸ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, p. I3I77 (OF), p. I3I64 (E); Exhibit P-428(A), pp. 8I-83.
- ⁷⁹ Testimony of Mr. Jean Lafleur, Transcripts vol. 78, pp. I3644-I3645 (OF), pp. I3640-I3642 (E).
- ⁸⁰ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, p. I3I87 (OF), pp. I3I7I-I3I72 (E); vol. 76, pp. I3258-I3260 (OF), pp. I3257-I3259 (E).
- ⁸¹ Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. I3248-I3250 (OF), pp. I3248-I3249 (E); Testimony of Mr. Éric Lafleur, Transcripts vol. 80, p. I404I (OF), pp. I4039-I4040 (E).
- ⁸² Testimony of Mr. Jean Lafleur, Transcripts vol. 76, pp. I3264-I3276 (OF), pp. I3263-I3273 (E).
- ⁸³ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. I402I-I4022 (OF), pp. I402I-I4022 (E).
- ⁸⁴ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, pp. I4088-I4092, I4I12-I4I18 (OF), pp. I4I04-I4I09 (E).
- ⁸⁵ Testimony of Mr. Émond, Transcripts vol. 5I, pp. 8949-8952 (OF), pp. 8949-8952 (E).

- ⁸⁶ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13971-13972 (OF), p. 13957 (E); Exhibit P-243(B), p. 167; Exhibit P-243(C).
- ⁸⁷ Testimony of Mr. Davidson, Transcripts vol. 79, p. 13958 (OF), p. 13945 (E).
- ⁸⁸ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13973-13974 (OF), p. 13959 (E).
- ⁸⁹ Testimony of Mr. Davidson, Transcripts vol. 79, p. 13976 (OF), pp. 13958-13959 (E).
- ⁹⁰ Exhibit P-243(B), p. 167.
- ⁹¹ Exhibit P-243(C), p. 1.
- ⁹² Testimony of Mr. Davidson, Transcripts vol. 79, p. 1396 (OF), p. 13961 (E).
- ⁹³ Exhibit P-243(B), p. 171.
- ⁹⁴ Exhibit P-243(B), pp. 155-157, 159.
- ⁹⁵ Exhibit P-243(C), pp. 1, 6; Exhibit P-243(B), pp. 155-157, 159.
- ⁹⁶ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13971-13978, 13984-13987 (OF), pp. 13956-13961, 13968-13971 (E).
- ⁹⁷ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13983-13984 (OF), pp. 13968-13969 (E).
- ⁹⁸ Testimony of Mr. Davidson, Transcripts vol. 79, p. 13985 (OF), p. 13969 (E); Exhibit P-243(B), p. 168.
- ⁹⁹ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13956-13957, 13983 (OF), pp. 13943-13944, 13967-13968 (E).
- ¹⁰⁰ Testimony of Mr. Davidson, Transcripts vol. 79, p. 13983 (OF), pp. 13967-13968 (E); Exhibit P-243(B), pp. 155-159.
- ¹⁰¹ Exhibit P-243(B), p. 155.
- ¹⁰² Exhibit P-243(B), p. 156.
- ¹⁰³ Exhibit P-243(B), p. 157.
- ¹⁰⁴ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 13986-13987 (OF), pp. 13970-13971 (E).
- ¹⁰⁵ Exhibit P-243(B), pp. 166, 168, 171.
- ¹⁰⁶ Exhibit P-217, pp. 155, 158.
- ¹⁰⁷ Exhibit P-217, p. 178.
- ¹⁰⁸ Exhibit P-217, pp. 2-24.
- ¹⁰⁹ Exhibit P-217, pp. 2-24.
- ¹¹⁰ Exhibit P-217, p. 24.
- ¹¹¹ Testimony of Mr. Jean Lafleur, Transcripts vol. 77, pp. 13548-13555 (OF), pp. 13533-13542 (E).
- ¹¹² Exhibit P-217, p. 60.
- ¹¹³ Exhibit P-217, p. 60.
- ¹¹⁴ Exhibit P-217, pp. 77-78.
- ¹¹⁵ Exhibit P-217, pp. 243, 181.
- ¹¹⁶ Exhibit P-217, pp. 103-105.
- ¹¹⁷ Exhibit P-216(B), p. 4. The contract allowed Lafleur Communication to bill PWGSC \$100,000 for printing and up to \$135,000 for distribution. Exhibit P-217, p. 60.
- ¹¹⁸ Exhibit P-217, p. 60.

- ¹¹⁹ Testimony of Mr. Guertin, Transcripts vol. 82, pp. 14488-14497, 14580-14581 (OF), 14486-14494, 14569 (E); Exhibit P-217, addenda inserted after p. 327.
- ¹²⁰ Exhibit P-225(A), pp. 120-131.
- ¹²¹ Exhibit P-225(A), pp. 138-155.
- ¹²² Exhibit P-225(A), pp. 52-64.
- ¹²³ Exhibit P-225(A), pp. 2-13.
- ¹²⁴ Exhibit P-225(A), p. 66.
- ¹²⁵ Exhibit P-225(A), p. 36.
- ¹²⁶ Exhibit P-225(A), p. 64.
- ¹²⁷ Exhibit P-225(A), p. 25.
- ¹²⁸ Exhibit P-225(A), p. 67.
- ¹²⁹ Exhibit P-225(A), p. 66.
- ¹³⁰ Exhibit P-216(B), p. 19.
- ¹³¹ Exhibit P-225(A), p. 67.
- ¹³² See, for example, Testimony of Mr. Jean Lafleur, Transcripts vol. 78, pp. 13763-13764 (OF), p. 13749 (E); Testimony of Mr. Éric Lafleur, Transcripts vol. 81, pp. 14299-14303 (OF), pp. 14295-14299 (E).
- ¹³³ Testimony of Mr. Davidson, Transcripts vol. 79, pp. 14009-14010 (OF), pp. 13991-13992 (E).
- ¹³⁴ Testimony of Mr. Éric Lafleur, Transcripts vol. 80, p. 14255 (OF), pp. 14232-14233 (E); vol. 81, pp. 14301-14302 (OF), pp. 14297-14298 (E).
- ¹³⁵ Exhibit P-225(A), p. 67.
- ¹³⁶ Exhibit P-225(A), p. 66.
- ¹³⁷ Testimony of Mr. Éric Lafleur, Transcripts vol. 81, p. 14315 (OF), pp. 14309-14310 (E).
- ¹³⁸ Exhibit P-216(B), p. 20.
- ¹³⁹ Testimony of Mr. Éric Lafleur, Transcripts vol. 81, p. 14316 (OF), p. 14310 (E).
- ¹⁴⁰ Testimony of Mr. Jean Lafleur, Transcripts vol. 75, pp. 13101-13103 (OF), 13096-13097 (E); vol. 78, pp. 13762-13763 (OF), pp. 13748-13749 (E).
- ¹⁴¹ Exhibit P-215(A), p. 108.
- ¹⁴² Exhibit P-428(A), p. 84.
- ¹⁴³ Exhibit P-428(A), p. 84.
- ¹⁴⁴ Exhibit P-428(A), p. 86.
- ¹⁴⁵ Exhibit P-428(A), p. 87.
- ¹⁴⁶ Exhibit P-428(A), p. 88; Exhibit P-215(A), p. 21.

