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—
Chair

The Honourable Diane Marleau

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•(0905)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): Welcome to the government operations committee. We have a number of witnesses here today.

I would like to start off by saying that we'd like to give you five to ten minutes for opening statements, except there are a number of you and I don't know how many of you have statements. Could you give me an indication of how many of you have statements, as we're going to shorten the time?

I see there are three or four. Perhaps just take five minutes each. That's all I will allow; otherwise we won't have enough time for questions and answers afterwards.

Mr. Moore.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): If there's a precedent for this, I would ask for the consent of the committee and of the chair to add one witness to the panel today, Mr. Ian Brodie, chief of staff of the Prime Minister's Office.

The Chair: Is it the wish of the committee to allow Mr. Brodie to be here as a witness?

I'm told by the clerk that you should put forward a motion. Mr. Moore, do you want to put this in the form of a motion?

Mr. James Moore: I move that the Standing Committee on Government Operations and Estimates also include Mr. Ian Brodie, chief of staff of the Prime Minister's Office, in the schedule of witnesses today.

The Chair: I'll call the question. Who wants to allow Mr. Brodie to come as a witness today? Who is against having Mr. Brodie today versus another day?

Not today. Sorry, the motion doesn't pass.

Mr. Charlie Angus (Timmins—James Bay, NDP): I'm sorry, Madam Chair, but just so we're clear on this, we're not saying we're against hearing from Mr. Brodie, but if we have further questions, we would certainly be happy to hear from him.

The Chair: No, the motion is that we hear from him or add him to the list today.

Mr. Charlie Angus: Thank you.

The Chair: I want to take the vote again.

All those in favour?

Mr. Chris Warkentin (Peace River, CPC): Can we get a recorded vote just to get some clarification?

The Chair: We sure will.

Mr. James Moore: We have a new member of the committee, I see.

The Chair: That's okay; he's allowed to sit.

(Motion negated [See *Minutes of Proceedings*])

The Chair: Now we'll start with the opening remarks.

You have five minutes each.

Mr. Housakos.

Mr. Léo Housakos (As an Individual): Thank you, Madam Chair.

I had an opening statement that was 10 minutes long, but I will shorten it and try to deal with the four discrepancies that were disseminated by the media in the week of January 27 to 28. As a result of those falsehoods and allegations that have been substantiated without a shred of evidence, I find myself before you.

The first is a characterization that was made of me in a *Le Téléjournal* report by Patrice Roy, as a Conservative bagman for Quebec. He said I was an important collector of funds for the Conservative Party. That's the first falsehood.

In 2006 I took it upon myself to raise funds for the party I've supported for years. I was never a bagman and I was never responsible for the fundraising activities in Quebec. I didn't participate in any fundraising committee during that election campaign. On my own initiative I solicited my friends, my family, and various associates. Respecting the federal electoral law, I sent the proceeds of those efforts to the Conservative Party headquarters by mail. That was the extent of my involvement in the 2006 federal election campaign.

Since January 2006 I have never solicited anybody for the Conservative Party in Quebec. I've not raised any funds for the Conservative Party in Quebec. I've declined two or three invitations to participate on fundraising committees for fundraising activities in 2006 and 2007. Further, since my nomination to the board of VIA Rail at the end of 2007, I've refrained from any political activity at the federal level.

Putting those facts on the table, I think one would agree that referring to me as an important party bagman in Quebec is a gross exaggeration.

The second point I want to be clear on is that I'm not and have never been a registered or unregistered lobbyist for any company or individual for the federal government. It has never happened. Under the federal lobbying act, as I understand it, if I ever did anything that constituted lobbying, all I had to do was go online and register. Nothing prevents me, and nothing would prevent me, like the thousands of others, from registering as a lobbyist.

The third discrepancy is in regard to news reports that this now famous April 6, 2006, meeting between myself, John Lemieux, and Frédéric Loiselle was organized somehow or put together by Dimitri Soudas. That is false. I solicited the meeting directly with Mr. Loiselle, who I've known for a number of years. It was pertaining to a specific subject. I never asked Mr. Soudas to intervene in organizing that meeting for me. I've never asked Mr. Soudas to organize any meeting for me with anybody in this government. I've never asked anybody in the Prime Minister's Office to ever intervene to organize a meeting for me or anybody else.

I know I'm running out of time, Madam Chair, but I think my fourth point is an important one for everyone around the table. It's on the so-called second file in the *rapportage* of *Le Téléjournal*. It depicted me having clandestine meetings with potential suppliers to the defence ministry, showing aircraft carriers, and planes flying all over the place.

What's the saying, Mr. Roy and Mr. Leblanc? Don't let the facts get in the way of a good, sexy scandal. That's the reality. The facts of this supposed meeting are that I had dinner with two gentlemen in Montreal in a restaurant, a very public place. The dinner was put together by a mutual friend of mine and these two gentlemen in question. Mr. Soudas made an unscheduled appearance that day for dinner. He called me that afternoon in Montreal and said, "I'm in Montreal, Léo, visiting my ill mom." It was not unusual for me to say, "Dimitri, why don't you hop on by and have supper with me tonight?"

At that dinner meeting one of the two gentlemen in question—the Liberal members around the table might know who he is—was Roch Charron. I understood from the meeting that he was a former *attaché politique* to a former federal Liberal cabinet minister. The second gentleman there was from the same company—I assumed they both worked for the same company. The company name was Alenia. I don't recall the name of the second gentleman. He was an Italian fellow from Italy living in Canada. He worked for the company, represented the company. In all honesty, I don't recall the name because it wasn't very important.

● (0910)

I think it's an important fact, Madam Chair, for the—

The Chair: I'm happy to let you speak for another second or two, but remember, your five minutes is up.

Mr. Léo Housakos: I'll just very quickly point out that at this meeting, at no time was Dimitri or I solicited by these gentlemen. At no time did they request that I or Mr. Soudas make representations to the federal government for them. At no time did they ask us to set up any meetings with anybody from the federal government. At no time was there any discussion about any contract or potential contract between themselves, ourselves, or anybody else.

And that is the extent of the facts.

The Chair: Thank you, sir.

Now we'll go on to the next statement. Who would like to be next?

Mr. Soudas.

Mr. Dimitri Soudas (Deputy Press Secretary, Office of the Prime Minister): Thank you, Madam Chair. *Merci, madame la présidente.*

● (0915)

Good morning. I am pleased to appear before this committee with my principal, the Prime Minister's chief of staff, who's here with me today.

In the interest of saving the members some time, I will attempt to ensure that my opening statement and answers to your questions are concise and to the point.

As this committee is already aware, my name is Dimitri Soudas.

[*Translation*]

I was born in Montreal, Quebec and I have been working for the Prime Minister of Canada since February 6, 2006.

[*English*]

Prior to that, I worked for Mr. Harper while he was in opposition. I began working for him in 2002 as his press secretary, as well as director of community relations for a short period of time.

[*Translation*]

Before coming to Ottawa in 2002, I worked for the City of Montreal, in the Mayor's Office, until June 2002.

[*English*]

My current responsibilities in the Prime Minister's Office are twofold. I work as deputy press secretary and I also work as his advisor on Quebec issues.

In my role as press secretary, I have the pleasure of liaising with the media on a daily basis regarding current affairs. In my role as an advisor on Quebec-related issues, I provide advice, handle Quebec-related files. To be brief—as I said I would be—I'm a political staff member who generally assists the PMO with its communications and general public outreach.

In my role as an advisor to the PMO concerning matters that pertain to Quebec, I provide briefings and assistance on matters relating to policy analysis, liaise with other levels of government, provide support to our caucus, and monitor policy development and advisory services.

To give the members a little more detail, I provide policy analysis and research by conceptualizing and defining appropriate strategies, I assist on positions on policy development, and I act as a contact point at the Prime Minister's Office with respect to matters relating to the province of Quebec.

Finally—not to take, as you stated, Madam Chair, too much of the committee's time on an opening statement—I also performed various other special assignments as directed by others in the Prime Minister's Office, including Ian Brodie, the Prime Minister's chief of staff.

As the members of this committee should be aware, I am a ministerial staff member. I would like to stress for members of the committee that I am a political employee, not a member of the public service.

Finally, I trust that the members will appreciate that the position and the answers will rest, obviously, on what you decide to ask me.

In conclusion, Madam Chair, the office of the Ethics Commissioner is a quasi-judicial body created by an act of Parliament, as you all know. That office, at my request, has now full jurisdiction to look into this matter. I'm sure this committee and its members fully agree that the Ethics Commissioner's process should be respected.

Thank you, Madam Chair.

The Chair: Mr. Rosenberg, would you want five minutes as well?

Mr. Michael Rosenberg (President and Chief Executive Officer, Rosdev Group): Yes. I'll try to condense it.

Good morning, Madam Chair and everybody else.

I would just like to clear up some things that were said about our company. Being the president of Rostrust, I would like to correct some statements made in certain newspaper articles about basically the option aspect.

There was a judgment by the Honourable R. Smith on January 30, 2007. I will read one part of it:

For the above reasons, I find that the Crown did not validly exercise the option when it gave notice on June 25, 2004 of its intention to purchase the leased premises for a price of zero dollars with the closing to occur on June 30, 2010.

That judgment was released at the beginning of 2007.

Further on, it says the following:

In view of my finding that the option was not validly exercised, the Crown is not entitled to purchase the Property on June 30, 2010 in accordance with the terms set out in the Crown's notice.

Basically, that was contrary to what the crown thought, that it could buy it for zero. We rejected it from the beginning. We never thought there was any chance for the crown to buy it at zero, and that was the judgment.

Another record that I would like to correct is that since the beginning of 2004, the crown has taken over full responsibility for the management of the building. We have no input whatsoever in running that building. Therefore, whatever happens and whatever is going on is not part of our responsibility.

Thank you, Madam Chair.

The Chair: Thank you very much.

Mr. Loisel, do you want five minutes?

[Translation]

Mr. Frédéric Loisel (, As an Individual): Madam Chair, allow me to introduce myself.

My name is Frédéric Loisel. I was Minister Michael Fortier's Chief of Staff from the time the Conservative Party was elected to office until August of 2007. I am here at your request to answer your questions.

• (0920)

The Chair: Thank you, sir.

Would anyone else like to say something?

You have the floor, Mr. Lemieux.

[English]

Mr. John Lemieux (Lawyer, Fraser Milner Casgrain LLP, Rosdev Group): Good morning, Madam Chair.

My name is John Lemieux. I'm an attorney from Montreal. I'm here at the invitation of the committee, and I have no opening statement to make.

The Chair: Thank you very much.

We will go to questions, and we will start with the Liberals.

Mr. Holland, you have seven minutes.

Mr. James Moore: Before we do that, I was wondering if the gentleman on Mr. Rosenberg's right could introduce himself.

The Chair: Sir, you are...?

Mr. David Roebuck (As an Individual): I am David Roebuck. I'm Mr. Rosenberg's attorney.

The Chair: Thank you.

We'll have seven minutes for the first round, and we'll be quite severe in sticking to that.

Go ahead, Mr. Holland.

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Ms. Chair. Thank you to the witnesses.

Mr. Soudas, I'm going to start with you. First, thank you for being here. We weren't sure that you were going to make it. There was a lot of back and forth, a lot of liaising, and we weren't sure you were going to be with this committee.

You said you had asked for the meeting with Public Works and Government Services officials on the Rosdev file in August 2006 at the request of a municipal councillor. Can you tell us who that municipal councillor was?

Mr. Dimitri Soudas: It was Mr. Paolo Tamburello. I knew him when I worked for the mayor of Montreal. He worked for the opposition party, Vision Montréal. He was a borough mayor/councillor. He called me and raised this issue.

Mr. Mark Holland: When did the request and subsequent meeting with Public Works and Government Services officials take place?

Mr. Dimitri Soudas: Pardon me?

Mr. Mark Holland: When did the subsequent meeting with Public Works and Government Services officials take place?

Mr. Dimitri Soudas: There was a meeting that took place at some point in August of 2006.

Mr. Mark Holland: Okay.

Did you ever discuss this file with other municipal councillors?

Mr. Dimitri Soudas: It was raised with me sometime in 2007 by Municipal Councillor Marcel Tremblay.

Mr. Mark Holland: When was it in 2007?

Mr. Dimitri Soudas: It was sometime in the spring of 2007, I would say. Mr. Tremblay raised the issue in passing, and I simply told him that the matter was before the courts.

Mr. Mark Holland: I think you can understand that one of the concerns we have is that in August of 2006, Mr. Tamburello was not a councillor, yet you claim that you inquired about this file at the request of a municipal councillor. He wasn't a municipal councillor. He wasn't elected—

Mr. Dimitri Soudas: He was a former city councillor.

Mr. Mark Holland: Well, he was former, but he wasn't a councillor at that point in time. He was simply not there.

We're trying to understand why you would try to mislead Canadians in this regard. It seems like you were making the request on behalf of a councillor. He wasn't a councillor; he was an ex-councillor. That may have been his past, but it wasn't his present. Isn't it because you knew that you had crossed a line by engaging in interference to benefit a Conservative Party supporter?

Mr. Dimitri Soudas: What quote are you referring to, sir?

Mr. Mark Holland: Isn't it misleading to say that you did this on behalf of a municipal councillor? He wasn't a municipal councillor.

Mr. Dimitri Soudas: Sir, I believe you're referring to something I said. I'd like to hear the quote.

Mr. Mark Holland: You said so yourself that you had intervened in this matter because a municipal councillor had talked to you. He wasn't a municipal councillor. Correct?

Mr. Dimitri Soudas: That is correct. He was not a municipal councillor.

Maybe if you could quote me saying that a municipal councillor raised it between 2006—

Mr. Mark Holland: Let's go, then, to this municipal councillor who wasn't a municipal councillor. According to Mr. Tamburello, he didn't ask you about the Rosdev file in any official capacity, and obviously not as a municipal councillor, since he was no longer in office. Rather, it was on a personal basis.

So I'll ask you if you inquired about the Rosdev file on a personal basis as well. He was asking on a personal basis. Were you also asking on a personal basis?

Mr. Dimitri Soudas: Mr. Tamburello, a former city councillor, raised the file with me. With the responsibilities that I held, I inquired about the matter. I was doing my job, sir.

Mr. Mark Holland: He's a former councillor. That doesn't make sense to me.

How long have you known Mr. Tamburello? Is he a friend of yours?

Mr. Dimitri Soudas: What's your definition of a friend?

Mr. Mark Holland: What's yours? Is he a friend?

Mr. Dimitri Soudas: What do you mean by a...?

Mr. Mark Holland: Is he friend or is he not a friend?

Mr. Dimitri Soudas: I worked for the mayor of Montreal, Mr. Holland. Mr. Tamburello was the borough mayor for an opposing party. So I guess I was friends with Mr. Tamburello the same way I am with you, sir.

Voices: Oh, oh!

Mr. Mark Holland: Okay.

Is it correct that Mr. Tamburello was an executive vice-president of the municipal political party you used to work for?

• (0925)

Mr. Dimitri Soudas: When I worked at the city of Montreal, sir, Mr. Tamburello was a borough mayor with Vision Montréal. I worked for the mayor's party, which was not Vision Montréal. I left in August of 2002 to move to Ottawa, when Mr. Tamburello was still a municipal councillor with the opposition party.

Mr. Mark Holland: So he wasn't just a friend, but he was also a political ally.

Mr. Dimitri Soudas: As I stated previously, sir, he was a member of the opposing party once I left city hall.

Mr. Mark Holland: Once you left?

Mr. Dimitri Soudas: I would say if Mr. Tamburello was a political ally from the opposing party, then I assume that you are as much a political ally to me today.

Mr. Mark Holland: Later in 2007 you talked about another Montreal city councillor who asked you to look into the Rosdev file. It was the brother of Mayor Tremblay—correct?—who, by all accounts, came very close to being a Conservative candidate in the Outremont by-election. Can you tell us what you said to him?

Mr. Dimitri Soudas: Mr. Tremblay raised the issue as something that he had heard in the community, and I informed Mr. Tremblay that this matter was before the court, sir.

Mr. Mark Holland: Wouldn't you say that having the support of a wealthy member of the Montreal civic community—such as the owner of Rosdev developments, Michael Rosenberg—would have been beneficial to the Conservative Party's candidate in the by-election?

Mr. Dimitri Soudas: I don't know of any party-related responsibilities, sir. I work for the Government of Canada.

Mr. Mark Holland: You have no party-related responsibilities? You don't have any partisan responsibilities?

Mr. Dimitri Soudas: My only paycheque comes in from the Government of Canada, sir. There are party officials who work for the Conservative Party who take those considerations into account.

Mr. Mark Holland: Did you run as a candidate for the Conservative Party of Canada?

Mr. Dimitri Soudas: No, sir.

Mr. Mark Holland: Which phone number did Mr. Tamburello call you at to inquire in a personal fashion about the Rosdev file?

Mr. Dimitri Soudas: Pardon me, I missed that. Would you mind repeating that, sir?

Mr. Mark Holland: At what phone number did Mr. Tamburello call you to inquire in a personal fashion about the Rosdev file?

Mr. Dimitri Soudas: I have a BlackBerry, I have a cellphone, I have an office line, there's a switchboard....

Mr. Mark Holland: Was it a personal number or a work number?

Mr. Dimitri Soudas: I don't have any personal numbers other than my residence, sir.

Mr. Mark Holland: Where did he contact you?

Mr. Dimitri Soudas: The phone call was not made at my residence, sir.

Mr. Mark Holland: Okay. Where was the phone call placed?

Mr. Dimitri Soudas: Either on my cellphone or my office. Unfortunately, I don't keep such detailed information. When somebody calls me, I don't necessarily keep the details of whether they called me on my cellphone, on my BlackBerry, on my office number, or through the switchboard. There are several options to contact me, sir. E-mail—

Mr. Mark Holland: Was it the same phone number that Marcel Tremblay used to ask you about the Rosdev file?

Mr. Dimitri Soudas: Like I said, sir, I have business numbers for my work-related responsibilities and I have a home number.

[Translation]

The Chair: *Merci, monsieur Holland.*

Ms. Faille, for seven minutes.

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Thank you, Madam Chair.

Thanking you for joining us today.

As I said earlier, we want to shed some light on this whole matter. I would like to start by asking Mr. Loiseau a few questions. I believe everyone explained their involvement to us. I'd like to come back to the meeting that took place in August 2006. For the record, could you state the location of the meeting and tell us who was in attendance?

Mr. Frédéric Loiseau: I believe four people attended the August 2006 meeting with Mr. Soudas. The meeting took place in the Prime Minister's Office in the Langevin Block. I was there, along with Mr. Soudas, an assistant from my office and another aid in the PMO.

Ms. Meili Faille: I see. You were present, as was Mr. Soudas. Who else was there?

Mr. Frédéric Loiseau: Another member of the Prime Minister's staff.

Ms. Meili Faille: I see. Can we have the name of your assistant?

Mr. Frédéric Loiseau: Claude Alain, the senior advisor.

Ms. Meili Faille: Fine. What was the name of the person from the Prime Minister's Office?

Mr. Frédéric Loiseau: It was Mr. Béland.

Ms. Meili Faille: And Mr. Béland is an advisor...

Mr. Frédéric Loiseau: A policy advisor.

Ms. Meili Faille: So he was also a policy advisor. Did he have the same status as you, Mr. Soudas?

Mr. Dimitri Soudas: I'm sorry, he worked for PMO Policy.

Ms. Meili Faille: All right. Thank you. So then, Rosdev representatives did not attend.

Mr. Frédéric Loiseau: No, they did not.

Ms. Meili Faille: Did Rosdev representatives attend any meetings prior to the August 2006 meeting?

Mr. Frédéric Loiseau: No.

Ms. Meili Faille: Were any meeting held after that?

Mr. Frédéric Loiseau: No.

Ms. Meili Faille: Thank you. Who called the meeting?

Mr. Frédéric Loiseau: Dimitri and I had discussed this file on several occasions. I think we agreed that it would be a good idea to get together for a discussion. I believe Dimitri called the meeting.

Ms. Meili Faille: And all of these conversations took place...

• (0930)

Mr. Frédéric Loiseau: Over the telephone.

Ms. Meili Faille: ...over the telephone before the actual meeting.

Mr. Frédéric Loiseau: That is correct.

Ms. Meili Faille: That would be in July or August. Correct?

Mr. Frédéric Loiseau: I don't recall the exact dates. It was during the summer. We discussed this matter over the phone several times. We discussed a number of issues on a regular basis, and this one in particular once or twice.

Ms. Meili Faille: Okay. For the benefit of the committee, could you tell us which issues Mr. Soudas was preoccupied with and wished to discuss with Public Works?

Mr. Frédéric Loiseau: If I could give you a qualified answer, he was interested in this matter and had some questions of a general nature. It's a rather complex case that is now before the courts. One can always discuss generalities, but sometimes it is better to sit down and discuss matters in greater detail. This file requires...

Ms. Meili Faille: Fine. As you know, I too was once a political advisor. I simply want to touch briefly on the Rosdev file and find out what is happening on the legal front.

Were any other matters discussed?

Mr. Frédéric Loiseau: No. Only the Rosdev file was discussed at the meeting in question.

Ms. Meili Faille: So then, over the phone, you discussed a number of issues, but the sole item of business on the agenda for the August meeting was the property file and the legal ramifications.

Were additional meetings held subsequently?

Mr. Frédéric Loiseau: Yes. We also organized two briefings for departmental officials. Again, I do not have the exact dates and details handy, since I'm no longer working in the Minister's office. Two briefings were held with our officials, our experts. Even the people in the Minister's office are somewhat detached from the process. Tim McGrath's group with property management services set up the two briefings.

Ms. Meili Faille: Further to these meetings, other meetings were held with officials.

Mr. Frédéric Loiseau: Correct.

Ms. Meili Faille: And what message was the PMO office sending out? Was a sense of urgency conveyed?

Mr. Frédéric Loiselle: First of all, I want to clarify something. Neither the PMO, nor the Prime Minister indirectly sent out any message. All throughout the process, from the discussions that we had, there was never any question that a briefing was held at the office of the Minister of Public Works when we first arrived in Ottawa. At that time, our officials advised us to continue going the legal route. As we communicated with other government authorities, there was never any question of changing our course of action and of not pursuing legal action.

Ms. Meili Faille: During your meeting with Mr. Soudas, was a suggestion made at one point to consider suspending or dropping legal proceedings, and instead, trying to work out a settlement?

Mr. Frédéric Loiselle: As I just said, it was always very clear that we would not be going a different route. We had already discussed that scenario with the company. We merely wanted to stay the course. Never in my mind, or in the minds of the members of...

Ms. Meili Faille: I can understand that you might have wanted to stay the course, but did you feel any pressure from the PMO? Did either Mr. Housakos' name, or that of Mr. Rosenberg, come up during the course of your conversations?

Mr. Frédéric Loiselle: Mr. Housakos' name never came up.

Ms. Meili Faille: I see.

Mr. Frédéric Loiselle: All I can say about Mr. Soudas is that he was interested in this file. I can't tell you any more.

Ms. Meili Faille: And how did he convey his interest? Were e-mails exchanged? Earlier, you said he was fairly interested in having a meeting and interested enough for you to later ask officials to arrange two briefings. Were any e-mails exchanged with your office?

Mr. Frédéric Loiselle: I cannot recall if e-mails were exchanged. With BlackBerries, e-mails can be exchanged quite easily. All I remember is that there were several telephone calls. As I mentioned, we had three meetings. I was not present at these three meetings, but I do know that they took place. Basically, that's all I know about this matter.

• (0935)

The Chair: Thank you, Ms. Faille. Your seven minutes are up. [English]

Please go ahead, Mr. Moore, for seven minutes.

Mr. James Moore: Thank you very much. My questions are going to be to Mr. Rosenberg.

We want to understand, first of all, the relationship of Rosdev and the federal government. The essential matter of this is whether Rosdev was promised anything or if there was any kind of behaviour that was out of the ordinary with regard to your company and your relationship to the federal government, so first tell us a bit about Rosdev and when it began and your lineage with the company.

Mr. Michael Rosenberg: Rosdev came to the Ottawa and Gatineau area to purchase the first building in 1991. That was in Gatineau, Les Terrasses de la Chaudière. Then they went on to buy a couple more buildings. In January 1996 they purchased the building called L'Esplanade Laurier—it was Rostrust.

We became the largest landlord of the government at that time. When we took over the building—L'Esplanade Laurier—it was from a trustee in the bankruptcy of O and Y, and there was a lot of dispute at that time already. We tried to sort it out. We had many meetings with different officials at Public Works in their offices, trying to come to some conclusion and to see if we could come to a certain understanding. Unfortunately, time was running. Some people did want to make a settlement, not to get into a lawsuit; some others from Public Works did not want to.

There came the time that, based on our lawyers' advice, we had no choice but to institute a lawsuit, because that was becoming prescribed after certain years. Once we instituted a lawsuit, there was a lot of money owing in operations to the building, because, as I said before, there were many disputes outstanding at the time we took over from the O and Y trustee.

Mr. James Moore: Beginning in 1996, then—my notes have January 9, 1996—there were already disputes between Rosdev and the federal government, going back now 12 years.

Mr. Michael Rosenberg: Yes. We were stepping into the shoes of what they already had with O and Y. Since time was going, we had many meetings with different ADMs, with Public Works, with officials, and with different parties—Liberal Party, Conservative Party—trying to see if there could be some kind of understanding to settle this file. We tried and we couldn't get it, as I said before, so we had no choice but to institute a legal proceeding. There was a lot of money owing to the company.

Since then, things have been going down. We were hitting our head against a wall since our lawsuit. Then they started a notice of an option, which didn't make any sense whatsoever, and we went to court and won on that, but they threw everything at us.

We tried our best to run the buildings in the proper fashion. We did do it until the beginning of 2004. At the beginning of 2004, out of the blue they took away our management, based on no default. Never was there any indication or letter, verbally or written, that we mismanaged or that we did anything wrong. On the contrary, we had many letters of praise, which I have in the file, praising us for good-quality management skills. Actually, we scored 93% in one of our buildings, which was the highest in the region.

Mr. James Moore: Mr. Rosenberg, have you ever met any Minister of Public Works, going back to 1996? There have been five.

Mr. Michael Rosenberg: I have met quite a few ministers from different parties. I met Mr. Brison, a former public works minister, after one of the functions. I go to a lot of functions. I'm invited by different parties to different functions—

Mr. James Moore: Did you discuss your litigation with Mr. Brison?

Mr. Michael Rosenberg: Pardon me?

Mr. James Moore: Did you discuss the legal issues you have with the public works department with Mr. Brison when he was the minister?

Mr. Michael Rosenberg: No, I did not.

I got a letter from him praising us for the good work we had done in the 15 years in the region. I have it with me. If you want, I can read it to you.

• (0940)

Mr. James Moore: Who invited you to that meeting?

Mr. Michael Rosenberg: I was at 24 Sussex Drive with Mr. Jean Lapierre, who was in charge of Montreal region—Quebec, I think, too—at the Prime Minister's home. I met Mr. Jean Lapierre at a function in Montreal, which one of our organizations has—

Mr. James Moore: This was when he was transport minister?

Mr. Michael Rosenberg: He was the transport minister.

Mr. James Moore: Did you have to pay to attend any of those meetings or functions?

Mr. Michael Rosenberg: Did I pay?

Mr. James Moore: Was it a function for which to enter you had to

Mr. Michael Rosenberg: In the Liberal Party, I think it was \$1,000 or something to be invited to something like what I was invited to.

Mr. James Moore: So you paid \$1,000 to go to an event to meet the Minister of Public Works, with whom you were having litigation.

Mr. Michael Rosenberg: There were many other people there at the function.

Mr. James Moore: Over the years, how much money would you say you've given to the Liberal Party since Rosdev got into business with the federal government in 1996?

Mr. Michael Rosenberg: I can't recall exactly how much.

Mr. James Moore: At least \$1,000. How much more would you suspect?

Mr. Michael Rosenberg: Every year I contributed, and I do it to every party. I'm a landlord of the government, so I do respect the government. I have an income from the government, cheques, a tenant....

Mr. James Moore: So you may as well give a little back.

Mr. Michael Rosenberg: I respect the government, and I do contribute legally to all parties.

Mr. James Moore: So you met Scott Brison when he was the Minister of Public Works. You paid—

Mr. Michael Rosenberg: I met him at a function, that's right.

Mr. James Moore: Prior to him, the Minister of Public Works was Stephen Owen. Did you ever meet him when he was Minister of Public Works?

Mr. Michael Rosenberg: It's possible. As I told you, I meet a lot of people.

Mr. James Moore: Did you ever meet Alfonso Gagliano, Montreal, Minister of Public Works? I think you would remember him.

Mr. Michael Rosenberg: Yes, but again at a function, not at a private meeting.

Mr. James Moore: Did you have to pay to go to that meeting?

Mr. Michael Rosenberg: I don't think they called me to any meeting without my paying—the regular fundraising. I'm not saying it's.... You know, it's done in every party. Everybody is doing it.

The Chair: Thank you, Mr. Moore.

Mr. Angus.

Mr. Charlie Angus: Thank you, Madam Chair.

That was fascinating.

Mr. Soudas, I just wanted to get a sense of your role in the Prime Minister's Office. You do communications. You're an advisor on Quebec, because you know the city of Montreal. You said you do special projects as well.

Mr. Dimitri Soudas: Quebec-related files or communications files.

Mr. Charlie Angus: So in terms of where you are in the Prime Minister's Office, do you report to Sandra Buckler, Ian Brodie? Who is above you? Who is below you? Just give me a sense of where you'd be.

Mr. Dimitri Soudas: I would say I report to Sandra Buckler, and everybody reports to the Prime Minister's chief of staff, ultimately.

Mr. Charlie Angus: You said you get your paycheque from the Government of Canada, that you're not a party staffer; you work for the Government of Canada.

Mr. Dimitri Soudas: That's right, sir.

Mr. Charlie Angus: What similarity would you have to someone doing communications for a federal department? Where would you be?

Mr. Dimitri Soudas: I'm not sure what you're referring to.

Mr. Charlie Angus: The classification. Everybody who gets a paycheque through Treasury Board is pegged at a certain level.

Mr. Dimitri Soudas: I've never asked that question, because I didn't know that existed, to be honest with you. I will look into it after this meeting.

Mr. Charlie Angus: In terms of staff, say if you were director general for Treasury Board communications, you would have a number of managers below you, maybe 40. Would you be at the level of a director general?

Mr. Dimitri Soudas: I don't have any people reporting to me, sir.

Mr. Charlie Angus: So you don't have anybody. A manager in communications would have two or three. So you don't have any staff who work—

Mr. Dimitri Soudas: Nobody reports to me directly, sir.

Mr. Charlie Angus: So when you do a special project, how do you get assigned a special project? Do you bring the special project, or are you given the special project?

Mr. Dimitri Soudas: Would you mind elaborating?

Mr. Charlie Angus: You said you do special projects for Quebec.

Mr. Dimitri Soudas: And communications-related—

Mr. Charlie Angus: Does the Prime Minister say, “Listen, I have a problem I need you to go in and fix for me”, or do you come to him and say, “Listen, we have a problem and I think I should fix it”?

Mr. Dimitri Soudas: In terms of questions related to the operations of the office of the Prime Minister, I would strongly recommend that either the chief of staff or the Prime Minister be asked those questions at 2:15, later today.

Mr. Charlie Angus: I'm just trying to get a sense of how you get your orders. You're not going to tell me?

• (0945)

Mr. Dimitri Soudas: As I said, sir, either my communications director, Sandra Buckler, assigns me to—

Mr. Charlie Angus: But I'm not talking about communications. This isn't about writing a press release; this is about setting up a meeting.

Do you go to the Prime Minister and say, “We have a problem here in Montreal. Do you want me to look at it?” Or does he say, “I have a problem in Montreal and I want you to look at it”?

Mr. Dimitri Soudas: You referred, sir, to me setting up a meeting. What are you referring to?

Mr. Charlie Angus: Well, why are you here? You're here about a meeting that was set up between you, between Public Works, and between Mr. Rosenberg's company. At that meeting—it was set up—were you acting in your capacity for special projects? Were you acting in your capacity as an advisor or as the guy who writes the press releases for the Prime Minister? What capacity were you acting in?

Mr. Dimitri Soudas: I have not set up a meeting between myself, Public Works, and Mr. Rosenberg, sir.

Mr. Charlie Angus: Were you at that meeting?

Mr. Dimitri Soudas: Which meeting are you referring to?

Mr. Charlie Angus: The meeting where we had Public Works officials discuss with Mr. Rosenberg....

Mr. Dimitri Soudas: No. Actually, I met Mr. Rosenberg for the first time today, sir.

Mr. Charlie Angus: But his staff.

Mr. Dimitri Soudas: I've never met any of his staff either, sir.

Mr. Charlie Angus: You didn't meet on anything to do with this file?

Mr. Dimitri Soudas: You're going on two different tracks, sir.

Mr. Charlie Angus: No, I'm not. I'm just asking you in what capacity were you at that meeting in August 2006?

Mr. Dimitri Soudas: I was an employee of the Office of the Prime Minister, sir.

Mr. Charlie Angus: So the Prime Minister sent you?

Mr. Dimitri Soudas: As I said, in terms of questions related to the operations of the Office of the Prime Minister, his chief of staff and the Prime Minister himself can answer those questions at 2:15, sir.

Mr. Charlie Angus: So you're not going to tell this committee, under oath, whether you were there at the Prime Minister's behest or whether you were flying solo.

Mr. Dimitri Soudas: As I said earlier, sir, this issue was raised with me. In doing my job, I ask questions. I inquired, I got briefed, and, as you know, the result is that this matter is still before the courts, sir.

Mr. Charlie Angus: In your background, have you been an elected official in the past, or are you just a party staffer?

Mr. Dimitri Soudas: The only privilege I've had of being elected, sir, is as a school commissioner in the area in which I live, which is Aylmer, Quebec.

Mr. Charlie Angus: Okay. So you moved from the school board to the Prime Minister's office?

Mr. Dimitri Soudas: No, that's not correct, sir. I moved to Ottawa in 2002—

Mr. Charlie Angus: Oh, right, sorry.

Mr. Dimitri Soudas: If I may continue, as you might have some different information....

In 2002, I moved from Montreal to Ottawa to work for the then leader of the opposition and leader of the Canadian Alliance, Stephen Harper. Shortly thereafter, in November 2003, there was a school board election and I decided to volunteer and run to become a school trustee. I got elected in 2003. Up until 2007—

Mr. Charlie Angus: Are you looking to run in politics again? Do you like the political life?

Mr. Dimitri Soudas: I really don't carry a crystal ball with me, sir, so I go with things one day at a time.

Mr. Charlie Angus: Okay.

I'm trying to get a sense of why you and why not Mr. Fortier? Mr. Rosenberg clearly has met with Public Works ministers, and it would be, I would figure, fairly rational that Mr. Rosenberg meet with Public Works officials because he's a landlord of the government.

Why you? Why not Mr. Fortier? Did Mr. Fortier tell you to hold this meeting—

Mr. Dimitri Soudas: No, sir.

Mr. Charlie Angus: —or did the Prime Minister figure that you should do the job instead of Mr. Fortier?

Mr. Dimitri Soudas: As I said earlier when asked by Mr. Holland, this file was raised with me by Mr. Tamburello, a former city councillor. I looked into the matter, I asked questions, and I got briefed in doing my job, as I'm sure many political staffers who work for the government, for opposition parties, do all the time.

It is not uncommon for—

Mr. Charlie Angus: No, certainly not. It's just that when my staff meet anybody, they're meeting me. People know that if Charlie Angus isn't at the meeting, they're meeting me.

You work for the Prime Minister. You set up a meeting with public officials. Did the Prime Minister give you that authority or were you flying solo?

Mr. Dimitri Soudas: As I said, sir, I work for the Prime Minister. I work for the Office of the Prime Minister. I report to my principal, the chief of staff, regarding any questions on the operations of the Office of the Prime Minister and how it functions. I don't manage people. You are more than free to ask either the Prime Minister's chief of staff or the Prime Minister at 2:15 today.

Mr. Charlie Angus: I'm not trying to put you on the spot, Mr. Soudas. I just think it would clear the air and my line of questioning would all fizzle out if I got a sense that you weren't flying solo, that you were mandated either by Mr. Brodie, Ms. Buckler, or Stephen Harper himself, saying, "Go to that meeting and just look into it for me, because you're my guy on the ground", in the same way that I would tell my legislative assistant, "Go to that meeting because I can't get there."

If I found out my legislative assistant was holding meetings and I didn't know about it, no offence, I'd fire him.

This might all just fizzle out. Just tell me who told you to go to that meeting.

Mr. Dimitri Soudas: As I said, sir, this file was raised with me—

Mr. Charlie Angus: I know.

● (0950)

Mr. Dimitri Soudas: And I inquired about it, as many political staff do. They inquire—

Mr. Charlie Angus: Do you have delegated authority at the Prime Minister's Office?

Mr. Dimitri Soudas: I report to my principal who is the chief of staff, sir.

Mr. Charlie Angus: But you must have some authority to call staff—

The Chair: Mr. Angus, your time is up.

Mr. Charlie Angus: Thank you.

[Translation]

The Chair: Members will now have five minutes during this round.

Ms. Folco.

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Thank you, Madam Chair.

[English]

First of all, to come back to Mr. Rosenberg's political activities, my understanding, and I think the understanding of everyone around this table, is that anybody, any member of the Canadian public, can go to any kind of fundraising event no matter what the party is, pay whatever the entrance fee is, and so on and so forth.

Even James Moore can actually...I'm sure you have in the past. I don't want to presuppose anything, Mr. Moore, but I'm sure in the past you must have bought a ticket at some kind of fundraising event.

[Translation]

I have some questions for the witnesses.

I believe we have met before, Mr. Soudas? Can you recall under what circumstances?

Mr. Dimitri Soudas: I was a member of the Liberal Party of Canada between 1993 and 1997. I campaigned for the Liberal Party of Canada in Montreal and in Laval. I have also had the pleasure of knowing Mr. Housakos since the age of 13 or 14, and of campaigning against you in 2000 when he ran for the Canadian Alliance party.

Ms. Raymonde Folco: Very well. Thank you.

I believe we have also met before, Mr. Housakos. And here we are face to face again. For the record, can you explain why we continue to run into each other from time to time?

Are you waiting for the interpretation, Mr. Housakos?

Mr. Léo Housakos: Yes. Could you please repeat the question?

Ms. Raymonde Folco: Yes. Mr. Housakos, I would ask you to refrain from playing Mr. Soudas' little game and from asking us to repeat each question just to waste time.

[English]

If you prefer that I speak to you in English so I don't have to repeat twice, I'm quite happy to do so. Would you prefer I speak in English to you?

Mr. Léo Housakos: Sure. Go ahead, Madam Folco.

Ms. Raymonde Folco: Okay. I would just like to ask you, Mr. Housakos, whether we have met in the past, and it's my impression that at present we continue to meet from time to time amongst other people in Laval.

Mr. Léo Housakos: You are wondering if I met who?

Ms. Raymonde Folco: Me.

Mr. Léo Housakos: I don't think I have met you since the 2000 election.

Ms. Raymonde Folco: It seems to me we were both present at a function of the Lebanese Catholic church a couple of weeks ago.

Mr. Léo Housakos: I think you're recognizing somebody who's perhaps as good looking as me, but I wasn't there.

Ms. Raymonde Folco: Then he's a very fortunate gentleman, Mr. Housakos, if he looks like you.

However, it's also my understanding that you are coordinating the Conservative Party of Canada's election team for the next election?

Mr. Léo Housakos: That is another immense falsehood.

Ms. Raymonde Folco: Okay. Thank you very much for that.

[Translation]

As it so happens, Mr. Soudas, I am acquainted with several of the people who are here today. Mr. Tremblay is also my municipal councillor. I live in Montreal, not Laval.

Aside from Mr. Tremblay, who is a municipal councillor, have you had any contacts in the past with other councillors, or with other Montreal municipal councillors?

Mr. Dimitri Soudas: Excuse me?

Ms. Raymonde Folco: It was a simple question, Mr. Soudas.

Mr. Dimitri Soudas: You speak very softly, Ms. Folco. I really didn't hear...

Ms. Raymonde Folco: I was asking if in the past, you have had dealings with other councillors or with other Montreal municipal councillors.

Mr. Dimitri Soudas: When issues arise, I ask questions about...

Ms. Raymonde Folco: Yes or no, Mr. Soudas?

Mr. Dimitri Soudas: I'm explaining my way of doing things, Ms. Folco. When a matter arises, I ask questions. I look for information, like any good political advisor does.

Ms. Raymonde Folco: Could you give us an example, Mr. Soudas?

Mr. Dimitri Soudas: I don't have any other examples.

Ms. Raymonde Folco: No? I'm asking you to give me one example. You stated that when other issues arose, you took action. What kind of action?

Mr. Dimitri Soudas: When negotiations take place with the Government of Quebec, for example, regarding a bilateral agreement, I inquire about...

Ms. Raymonde Folco: That's not an example. I asked you to give me an example having to do with Montreal municipal councillors, since you were very involved. You said that you did some things. So then, can you give me an example?

Mr. Dimitri Soudas: Ms. Folco, quite possibly, I may receive some letters from municipal councillors about a local project and I take care to forward these letters to the responsible department.

Ms. Raymonde Folco: Quite possibly, but you do not recall a specific incident.

Mr. Dimitri Soudas: When a municipal councillor, whether from Montreal or from some other Quebec region, sends me a request concerning a local project in his ward, I take it upon myself to forward this letter, Ms. Folco.

Ms. Raymonde Folco: It is unfortunate, Mr. Soudas, that you cannot give me a specific example.

● (0955)

[English]

Let me go on to another matter for you, Mr. Soudas. Perhaps you won't ask me to repeat it, because this is in English, and I understand it's one of the languages you speak well.

[Translation]

Mr. Dimitri Soudas: I went to a French school, Ms. Folco.

Ms. Raymonde Folco: It's just that you always ask us to repeat the question.

[English]

This is a quote from the Prime Minister, Mr. Soudas:

Mr. Soudas said that a Montreal city councillor approached him about an issue and he set about looking into it.

That is the nature of the work ministers and staff do here: they have a responsibility to look into issues. That is not interference, it is how the government works. Mr. Soudas was doing his job.

Did you mislead the Prime Minister on this? This wasn't a municipal councillor. Mr. Tamburello, as you know, and as you must have known at the time, was no longer a municipal councillor.

The Chair: Thank you very much. The five minutes are up.

We can go to—

Mr. Dimitri Soudas: I can respond to that, Madam Chair.

The Chair: Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Madam Chair.

Good day, gentlemen.

My first question is for Mr. Loiselle. You stated that on August 2, 2006, you met with Mr. Alain and Mr. Bêland at Mr. Soudas' request. The purpose of the meeting was to discuss the Rosdev file. Is that correct?

Mr. Frédéric Loiselle: That is correct, Ms. Bourgeois.

Ms. Diane Bourgeois: If I understand correctly, two subsequent meetings were held to discuss the Rosdev file.

Mr. Frédéric Loiselle: Several meetings were held in the Minister's office, but if you're referring to meetings with members of the Prime Minister's staff, yes, there were two subsequent meetings.

Ms. Diane Bourgeois: Two additional meetings. That means that at least three meetings were held to discuss this file. Isn't that a lot of time spent discussing one file in particular? Why was it taking people so long to...

Mr. Frédéric Loiselle: You have to recognize that this is a rather complex file. Political aids may have attended the first meeting, when in fact officials closely involved in the file should have been on hand to appreciate and explain the issues in detail. It is not unusual to hold several meetings when the first one fails to give people the information they want.

Ms. Diane Bourgeois: I see. Let's say the first meeting was spent discussing the file from a political perspective. Departmental officials were called to the second meeting. In theory, departmental staff, who are generally well prepared, should be able to update political staff on the situation. At either the second or third meeting, did you feel that officials were being pressured in some way to abandon legal proceedings against Rosdev?

Mr. Frédéric Loiselle: I did not attend the second and third meetings, only the August meeting. I was told that the purpose of these meetings was to brief people on this file. As I said earlier, with respect to this file and my conversations with Mr. Soudas and other staff in the PMO, it was always very clear that we would not suspend legal action in this matter and that we would stay the course. Throughout the course of the discussions, we never once questioned our decision.

Ms. Diane Bourgeois: I'm not interested in what you were feeling. I am wondering about the other party that wanted some information. Did anyone in the PMO want you to suspend certain legal proceedings?

Mr. Frédéric Loiselle: I can only speak for myself.

Ms. Diane Bourgeois: Fine.

Mr. Housakos, you made the following statement to Radio-Canada: "I simply wanted to find some way to make sure that Rosdev was being treated properly by the government". So then, at that point, if I understand correctly, you acknowledged that you were lobbying Minister Fortier's chief of staff on Rosdev's behalf.

Is that an accurate assessment of the situation?

[*English*]

Mr. Léo Housakos: I never said that; I never said I was representing Rosdev to the Conservatives. In a meeting with Mr. Fred Loiselle, a political staffer, where I was offering my help to the political minister of Montreal—in terms of organizing networking functions with the cultural communities and networking events with the business community in order to enhance the presence of the new Conservative government in Montreal—in passing I mentioned to the chief of staff if he was aware of an ongoing conflict. It had come to my attention through sources that Rosdev was being mistreated or somehow being abused by Public Works. I asked him if that was the case to his knowledge. I never represented Rosdev; I never made any representations on behalf of the file, because I wasn't aware of the details of the file. And it was never on behalf of the Conservative Party or Rosdev; it was a simple suggestion, in passing, to the chief of staff if he was aware of the file.

• (1000)

[*Translation*]

Ms. Diane Bourgeois: Who told you that the Rosdev Group was being mistreated by the government?

[*English*]

Mr. Léo Housakos: I had heard that rumour at various functions on many occasions from the leaders of the Hasidic community and other leaders.

Two or three months earlier, in a communication I had with Mr. Lemieux, I asked him whether he was aware of it. Mr. Lemieux confirmed to me that he was aware of an ongoing conflict. He expressed the same point of view others have expressed: that in his opinion Rosdev Corporation was being mistreated.

I think I recall asking him whether he represented Rosdev, and he said he had represented Rosdev in the past. I had heard it from many people and I confirmed it from Mr. Lemieux.

[*Translation*]

Ms. Diane Bourgeois: Fine. Thank you.

The Chair: Thank you, Ms. Bourgeois. Your five minutes are up.

[*English*]

Mr. James Moore: I'd like to continue where I left off and ask Mr. Rosenberg again about his relationship with Rosdev, the litigation that's ongoing with the federal government, and how resolution of that litigation has been sought by Rosdev.

You mentioned that you met with Mr. Brison when he was the Public Works minister at a meeting at 24 Sussex Drive. You had to pay to go to the meeting, and this was at a time when your company was in litigation with the Department of Public Works. So I'm also curious to know as well, as I mentioned—you had to check your memory, and you've had a few moments now—whether you met Mr. Gagliano when he was the Minister of Public Works and while you were in litigation with Rosdev with his department?

Mr. Michael Rosenberg: My recollection is that at one of the Liberal fundraising parties I did. I think it was in the Queen Elizabeth, where they do the major function every year—not lately, but a couple of years ago they used to do them. I was invited, and at that time, in passing, among other people I met Mr. Gagliano, as I met other people who were there.

Mr. James Moore: Did you ever meet Mr. Don Boudria when he was the Minister of Public Works?

Mr. Michael Rosenberg: It's possible. As I said before, I meet a lot of people and I'm invited to functions, and there are many people at them whom I meet. I'm trying to be fair. I go to every function I can, Liberal, NDP, or Conservative.

Mr. James Moore: Do you take the point, though? The issue, of course, here is Rosdev's relationship to the federal government and your having litigation and the means that are being sought to resolve the litigation. And the fact is that you have attended fundraisers with the Minister of Public Works, through whom your company is suing the federal government. You have paid to go to those fundraisers and have had conversations with the then-minister of Public Works.

This is rather a problem, isn't it?

Mr. Michael Rosenberg: Well, it's not necessarily that I discussed the file with the minister himself, but I went to the fundraising bodies. There's not much time, or not much.... You mingle around. When you go there, you go for a short while. I go and come and say hello and goodbye.

Mr. James Moore: Have you ever met Minister Fortier?

Mr. Michael Rosenberg: I don't recall meeting him at all.

Mr. James Moore: Not at all.

Have you ever met me, as his parliamentary secretary?

Mr. Michael Rosenberg: No, it's the first time.

Mr. James Moore: It's a pleasure.

Mr. Michael Rosenberg: Likewise.

Mr. James Moore: We'll go down the line, then. Have you ever met Mr. Loiselle?

Mr. Michael Rosenberg: No. I met his father. He's a nice person.

Mr. James Moore: Have you ever met the current chief of staff to the Minister of Public Works?

Mr. Michael Rosenberg: I don't know who it is.

Mr. James Moore: Okay, then I take it you haven't met him.

Mr. Michael Rosenberg: I actually gave up hope of doing any settlement a couple of years ago, because—

Mr. James Moore: It's a new government.

Mr. Michael Rosenberg: —they change people. You're being invited to make a proposal, and then you work on a proposal, and after a couple of months, suddenly you get back a two-sentence letter saying thank you for your unsolicited offer—even though I was invited to make an offer. So I really gave up hope, and our solicitors take care of it now with the courts. It's unfortunate, but it has to go that way.

• (1005)

Mr. James Moore: Well, as the false story goes, it's Mr. Housakos who is supposed to get money from you for the Conservative Party.

Have you ever met Mr. Housakos?

Mr. Michael Rosenberg: Maybe at a function, but not on a personal basis.

Mr. James Moore: We see this story flying apart rather quickly.

What is the current status of your litigation with the Department of Public Works?

Mr. Michael Rosenberg: Well, on the option, as I said before, the courts found that the option that Public Works threw at us...it was zero dollars; it was thrown out, and they found that it was not correct. Not only was it not correct, but even the timing of exercising the option was not right.

We went to the appeals court on one function, saying that since they've done it in a wrong manner, we want to have a full trial on it to say whether the option is valid at all. We went to appeal and won that appeal right off the bat. Now it's a possibility that the government might lose the right to the option on the building.

The Chair: We'll go to Mr. Holland for five minutes.

Mr. Mark Holland: Thank you.

Thank you, Mr. Rosenberg, for clarifying who you've shaken hands with at busy cocktail meetings.

Mr. James Moore: And who you have given money to.

Mr. Mark Holland: I wanted to turn, if I could, to Mr. Housakos. You've been painting yourself as an independent distant observer of politics. Were you not, in fact, the candidate for the Alliance Party in 2000?

Mr. Léo Housakos: Yes, I was.

Mr. Mark Holland: Can you tell me if that generated any bad blood between you and Mr. Fortier at that time?

Mr. Léo Housakos: Did it generate any bad blood? Not on my part.

Mr. Mark Holland: Mr. Soudas, I'm wondering if you can square something for me, and that was your earlier comment that Mr. Tremblay, who was a prospective candidate, contacted you on a PMO phone. That's what you said. I want you to square that with your comment that you weren't involved in partisan activities.

Mr. Dimitri Soudas: Pardon me? Well, as I said previously, Mr. Tamburello raised the file with me in 2006. I looked into the matter. The issue remained before the courts. Later, in 2007, Mr. Tremblay

raised the issue with me as well, in passing, and I mentioned to him that the matter was before the courts and that the direction would not be changing on this, because it was before the courts.

Mr. Mark Holland: It sounds pretty partisan. It sounds like you were pretty involved.

I'm wondering if I can go back to the comment made before by Madame Folco, because I think it's pretty key, and that's the quote of the Prime Minister. I don't know if you need me to read that again, but to paraphrase the Prime Minister, he had said that you had indicated to him that it was a municipal councillor that had contacted you. So did you mislead the Prime Minister? I don't see anything about "former". And why on earth would you be acting for former councillors? That doesn't make any sense to me.

So did you mislead the Prime Minister?

Mr. Dimitri Soudas: Two people raised this issue with me: Mr. Paolo Tamburello, a former city councillor, and Mr. Marcel Tremblay, a current city councillor.

Mr. Mark Holland: Did you tell the Prime Minister that this was a current municipal councillor? Did you identify him as a councillor when you did this?

Mr. Dimitri Soudas: The two people who raised this issue with me were Mr. Paolo Tamburello, a former city councillor, and a current city councillor, Marcel Tremblay. To both I indicated that this matter was before the courts, after having looked into it.

Mr. Mark Holland: Mr. Rosenberg, I'm wondering if I can come to you to establish a couple of facts. Rosdev is the proprietor of several buildings within the national capital region that are currently being rented by the federal government. Is that correct?

Mr. Michael Rosenberg: That's correct.

Mr. Mark Holland: We mentioned the litigation you're involved in with the federal government with respect to these buildings. I think you can imagine—and this gets to the crux of the issue—that it was startling to find Mr. Soudas, who is the Prime Minister's deputy press secretary, calling for a meeting in 2006 to push for the government to drop the lawsuit, particularly when even delaying this matter—and is this not true?—would see the lawsuit dissipate.

Mr. Michael Rosenberg: Well, let me correct first. It's not that they sued us. We sued the government, to start with, because of money owing to us in the amount accrued of \$28 million. They exercised the option around that time. We rejected it off the bat, and they took us to court to try to exercise the option. The judgment said the opposite. It did not exercise it at the right time, and it authorized zero dollars. But we did not ask. It was the opposite; we sued the government.

Mr. Mark Holland: Right, but there's a \$50 million case against you. We know that Mr. Housakos, who was an Alliance candidate and a contributor to the Conservative Party, described you as someone who was powerful, important—these are his quotes—as someone who was important in getting votes in the Montreal area and in gaining influence. We have Mr. Soudas setting up a meeting, which he says was made on behalf of someone who was a former councillor. He can't even give an example of a current councillor he's done something on behalf of. Yet he's jumping into action for a former councillor to get involved in a case for somebody who has been identified by Mr. Housakos and you as having a great deal of influence.

Can you see that we're left wondering if this is an incidence of you scratch my back and I'll scratch yours?

• (1010)

Mr. Michael Rosenberg: Well, let me clarify again that the government did not sue us for \$50 million. We did not sue them for \$50 million either.

Mr. Mark Holland: But \$50 million is on the line.

Mr. Michael Rosenberg: Yes, but we won off the bat, so the interest is for the taxpayers of Canada to settle this file more than it's in the interest of Rosdev, because we won the case and we won the appeal case. So it's in everybody's interest to settle the file. Nobody wins in court, as they say, but I was just looking to see if we can settle a file, and the right thing still is to sit down and settle a file rather than go to court.

The Chair: Thank you, sir. The time is up.

Do you want to split your time?

Mr. Warkentin or Mr. Moore.

Mr. James Moore: Yes. I just have one question, and then Mr. Warkentin will carry it forward.

It's been alleged that somehow a special favour was done in order to mitigate the resolution of the many lawsuits and the legal action that was going on between Rosdev and the federal government, and that Dimitri Soudas was engaged in order to essentially do a political favour for Rosdev.

Mr. Rosenberg, have you ever met Mr. Soudas?

Mr. Michael Rosenberg: No, this is the first time.

Mr. James Moore: Would you care to say hi?

Mr. Michael Rosenberg: I did.

Mr. James Moore: Well, that's some scandal.

Go ahead, Chris.

Mr. Chris Warkentin: Now that we've clarified and made our introductions, it's "pleased to meet you and thank you for coming". I thank each one of the witnesses. I'm sorry to have taken your time. Obviously the suggestions that were being launched when we started this committee are something of a distant memory at this point, seeing as none of them have come to any type of a conclusion that is in any way similar to the allegations that were made.

Mr. Rosenberg, you did mention that at some point you had received letters from Mr. Scott Brison, I believe, the former Minister

of Public Works, with regard to your relationship with him, you being a property owner and an owner of buildings that the federal government leased. I'm wondering if you could share with the committee the comments that are provided in that letter. I think what we're looking for is basically relationships. Now that we've established relationships with the people on the panel today, we'll take the time to look into other relationships that maybe have developed over the past number of years.

I understand that you have been in litigation with the federal government for some time, and I actually have in my possession a letter that I understand Mr. Scott Brison, a former Minister of Public Works, has sent to you. I'll just read a couple of comments:

I have noted that Rosdev was established in the 1970's and has quickly grown to become a leader in the commercial and industrial real estate markets and the hotel industry in Canada and beyond.

In managing, developing and directing your vast commercial [retail] space with the Government of Canada, Rosdev has well-served the public interest and I trust that [our] ongoing relationship will continue to be mutually advantageous and beneficial.

Considering the lawsuit that you are engaged in with the federal government, do you feel this letter was interesting at least and maybe contradictory to the fact that you were engaged in litigation when he was the Minister of Public Works?

Mr. Michael Rosenberg: We have many other letters from Public Works praising us for the work we have done. As I said before, there are some people who are trying to taint our company, and some people who know the truth do praise us when they dig into the file.

• (1015)

Mr. Chris Warkentin: I think that may be a contradiction that we're all trying to grapple with, and possibly the contradiction that the members of the panel were trying to grapple with. On one hand, you and the federal government are engaged in a lawsuit, and on the other hand, we have Scott Brison, a former Minister of Public Works who was engaged in that lawsuit with you, and he is saying we will continue in a relationship that will be mutually advantageous and beneficial.

I'm wondering if you know what he might have meant by that wording or if you have any idea as to what he was speaking of, considering the fact that when he was the Public Works minister he was engaged in the lawsuit with you.

Mr. Michael Rosenberg: I don't know exactly the internal politics in Public Works, but it's sometimes strange to say the least. When you get to speak to the top people or to people who understand a file, they'll look to see how we were mistreated. But then you have some others who are, for whatever reason—I don't want to get into it, personal or other reasons—against Rosdev.

I'll read you just a sentence from another letter from Public Works on the issue we brought back from L'Esplanade Laurier when there was glycol that the government had wrongfully.... They managed that part and they contaminated the whole building. Over a holiday weekend we went to work overtime, we stayed in our property and made sure that by Tuesday morning—it was a holiday weekend, Canada Day—the government would be able to work properly in the building. It was Treasury Board, an important department. I have a letter here saying:

The situation tested your stamina, patience, creativity and ability to work effectively as a team with other organizations and agencies.

So we had a lot of letters of praise.

The Chair: Thank you very much. We will now go to Madame Faillie.

Mr. Chris Warkentin: On a point of order. If I might just ask—

The Chair: Sir, that is not a point of order. We are going to go to the next questioner.

Mr. Chris Warkentin: Could I just ask if we could have the letter tabled? That is a point of order, I believe.

The Chair: You certainly can have the letter tabled if you wish.

Mr. Chris Warkentin: Or at least the dates and who signed the letter.

The Chair: That's fine. You have it tabled and we'll have it translated.

Mr. Chris Warkentin: Very good. Thank you.

[Translation]

The Chair: Ms. Faillie.

Ms. Meili Faillie: Thank you, Madam Chair. I see that there is very little time remaining. My first question will be for Mr. Loiselle, and my last two, for Mr. Soudas.

Mr. Loiselle, did someone explain to you the political interests associated with settling the Rosdev case?

Mr. Frédéric Loiselle: I'm not sure I follow you.

Ms. Meili Faillie: In August of 2006, did someone explain to you at some point, either in an e-mail, at a meeting or in conversations either before or after this meeting that...

Mr. Frédéric Loiselle: As far as I was concerned, this was a business matter, not a political matter. At issue was a misunderstanding or disagreement with a property owner. This was always a business, and never a political, matter.

Ms. Meili Faillie: I see. Did someone explain to you that there were political interests associated with resolving this dispute?

Mr. Frédéric Loiselle: It was never my understanding that there were any political interests associated with resolving this dispute.

Ms. Meili Faillie: Is that what someone told you?

Mr. Frédéric Loiselle: No. I do not see anything political in this. It was a business matter.

Ms. Meili Faillie: Thank you.

Mr. Soudas, did you meet personally with Mr. Fortier to discuss the Rosdev Group?

Mr. Dimitri Soudas: No, I never discussed this matter with Minister Fortier.

Ms. Meili Faillie: Thank you. According to the testimony presented to the committee, the PMO is satisfied that PWGSC is not suspending legal proceedings against Rosdev.

Is that correct?

Mr. Dimitri Soudas: Yes.

Ms. Meili Faillie: Who is acting as legal counsel for PWGSC?

Mr. Frédéric Loiselle: If memory serves me well, the lawyer I spoke with was Ellen Stensholt. She heads up the department's legal services.

Ms. Meili Faillie: I see. I have no further questions. Thank you.

[English]

The Chair: Mr. Angus.

Mr. Charlie Angus: Thank you very much.

I certainly appreciate everyone coming here today in this timely fashion, and I understand these are sensitive issues. We have to be careful because you have reputations in our community.

I just want to ask a few final wrap-up questions.

Mr. Housakos, you were quoted in the newspaper on January 31, 2008, saying that you were furious about how this came up. Yes, and you still are—and I can see that. You said, “[...] it's an inside job and that's what hurts the most”. What do you mean by that?

• (1020)

Mr. Léo Housakos: What I mean by that is when two journalists make serious allegations without putting any factual evidence on the table....

Mr. Charlie Angus: But that's not an inside job; that's an outside job. Who gave the journalists the information?

Mr. Léo Housakos: Well, their sources.

Mr. Charlie Angus: Who are their sources?

Mr. Léo Housakos: That's for them to divulge.

Mr. Charlie Angus: But you say it's an inside job.

Mr. Léo Housakos: Look, I have my suspicions, but unlike certain individuals I'm not a journalist. I can't say hearsay things. I need proof.

Mr. Charlie Angus: In your role as a candidate in 2000 against Michael Fortier, they asked you earlier if there was any bad blood, and you said, “Not on my part”.

Mr. Léo Housakos: Not on my part, no.

Mr. Charlie Angus: Do you think there would be bad blood on anyone else's part?

Mr. Léo Housakos: That's for anyone else to answer.

Mr. Charlie Angus: Okay, thank you.

Mr. Soudas, we're just going back to this question of the PMO and your role. Now, you said I could ask it in question period and get a clear answer. I asked Mr. Van Loan, when this issue arose, and he said to me that any citizen can make a request to the Prime Minister's Office, who may then forward it to the minister involved. That's not a privilege to have a meeting. Any citizen has a right to be heard. But it wasn't forwarded to the minister; it was forwarded to you. So why is it that you've had to take this role upon yourself, and not Michael Fortier?

Mr. Dimitri Soudas: I inquired of the minister's office, forwarded the request to the minister's office, inquired about it, got briefed on the issue, and the matter remained before the courts.

Mr. Charlie Angus: Mr. Loiselle said they clearly understood it was a commercial matter, not a political matter, so why would the PMO be interested in a commercial matter?

Mr. Dimitri Soudas: As I said, the issue was raised with me, as are many other issues. There is the example of a Bloc MP, who raised an important issue of a commercial nature to his riding.

Mr. Charlie Angus: To you?

Mr. Dimitri Soudas: And I find it quite common that people do that. It's part of doing their job.

Mr. Charlie Angus: Yes, but I've never written to a communications—

Mr. Dimitri Soudas: And it's my responsibility—

Mr. Charlie Angus: I've never written to a communications member in the Prime Minister's Office to look into a file.

Mr. Dimitri Soudas: As you heard earlier, sir—

Mr. Charlie Angus: I write to Indian Affairs or I write to Public Works.

Mr. Dimitri Soudas: As you heard earlier, sir, I have two responsibilities, so it's not uncommon for people to raise issues important to their constituents, issues important to their riding, issues that—

Mr. Charlie Angus: And it goes to you, not Michael Fortier.

Mr. Dimitri Soudas: It goes to several people, sir, responsible for whatever file they're responsible for, and ultimately you have to pass on the information to the minister's office. On this particular file, as I said, I inquired, I got briefed, and the matter remained before the courts, sir.

Mr. Charlie Angus: The Conservatives have certainly helped clarify a lot of things for me this morning, because they've established that a man like Mr. Rosenberg, with his role in the federal government, would meet Public Works ministers often, perhaps at \$1,000-a-plate Liberal dinners in the past. But it would not be uncommon that he would meet with Public Works ministers because he's tied to Public Works, and yet you are the point person on this. Mr. Loiselle said and you said the PMO wanted this matter dealt with. Why is Mr. Fortier completely absent from this picture, just as he is from the House of Commons?

Mr. Dimitri Soudas: With all due respect, sir, this issue was raised and information was sought and ultimately nothing changed. As Mr. Duceppe said a few years ago when \$96,000 went from Groupe Action to the Parti Québécois, no favours were exchanged. This was not a case of exchanging favours.

Mr. Charlie Angus: No, but the fact that you fire blanks as a broker doesn't mean you're not a broker. The question is, why did this matter go to the PMO? And why has Michael Fortier not met, why has Michael Fortier stayed out of this file, why is he absent on this file, and it goes to you? Who delegated your authority? Was it the Prime Minister himself who asked you to look into this? Was it Sandra Buckler who said you have to deal with this? Or did you go to them and say we have a problem, I want to look into it, I want the authority to call Public Works officials in my capacity working in the Prime Minister's Office? Just tell me how that happened.

Mr. Dimitri Soudas: As I said, sir—and you're saying that Minister Fortier's office was in the dark—I forwarded the file to

Minister Fortier's office, inquired about it, got briefed, and no change was made, sir.

Mr. Charlie Angus: But who delegated you to do that? Who?

Mr. Dimitri Soudas: I told you earlier, sir, that if you have any questions regarding the operations of the Office of the Prime Minister, you're more than welcome to ask his chief of staff or the Prime Minister.

Mr. Charlie Angus: You don't have to tell me their names, but you had authority from the Prime Minister's Office. You weren't flying solo here.

Mr. Dimitri Soudas: You're more than welcome to ask either his chief of staff or the Prime Minister—

Mr. Charlie Angus: Were you flying solo? Did you have authority from anybody?

Mr. Dimitri Soudas: I work for the Prime Minister's Office, sir.

Mr. Charlie Angus: So the Prime Minister gave you that authority?

The Chair: Thank you.

You did organize at least three meetings, though.

•(1025)

Mr. Dimitri Soudas: Pardon me?

The Chair: There were at least three meetings, were there not?

Mr. Dimitri Soudas: I'm not sure how many meetings there were on this file, Madam Chair.

The Chair: There were a number of them.

Mr. Dimitri Soudas: I gather you are asking me a question. I was not present at three meetings.

The Chair: I heard three meetings at one point. I don't know. I'm starting to wonder.

We will go with Mr. Moore.

Mr. James Moore: Thank you, Madam Chair.

I'm splitting my time with Patrick Brown, but I just wanted to wrap up with regard to Rosdev, because it's in the public interest here in terms of the litigation and all that.

Rosdev is in a number of deep legal disputes with the federal government, with millions of dollars at stake in this litigation.

Mr. Rosenberg, you've said you've never met with Minister Michael Fortier. You never met with Minister Fortier's former or current chiefs of staff. You never met Dimitri Soudas. You never met Mr. Housakos. You did meet previous Liberal ministers of Public Works during your litigation, which is highly irregular, and you did meet with previous Liberal ministers of Public Works, whom you paid to get access to those meetings, and while you were there, donating to the Liberal Party, paying to have access to these Liberal Public Works ministers, you were at the same time negotiating settlement of your multi-million-dollar lawsuits with the Department of Public Works. Isn't that a little dodgy?

Mr. Michael Rosenberg: I did not negotiate with ministers—

Mr. James Moore: But you were hoping to.

Mr. Michael Rosenberg: —but with the department, yes. We made proposals, based on their asking us to do that.

Unfortunately, they just sent us back letters—and not even from themselves sometimes, but from a secretary, who would say, thank you for your unsolicited offer.

Mr. James Moore: I can understand the desire for a settlement, but you can also understand the public interest here. While your legal team was pushing for a settlement with the Department of Public Works, you were paying thousands of dollars and meeting with Public Works ministers at Liberal fundraisers at the top, while your lawyers were negotiating with those ministers, as departments, for settlements constituting millions of dollars in possible benefits to your company.

Don't you think that's just a little sketchy?

Mr. Michael Rosenberg: Well, the benefit is to both sides, to our company, and.... A good settlement is beneficial to both sides and is better than going to court. Everybody would have benefited if we had settled. It's not unheard of when something is going to court that you sit down to try to make a settlement. Some settlements are done in the court house; business people know that. It would be to everybody's beneficial interest to settle this.

Mr. James Moore: Yes, and some settlements are done through political pressure as well.

Mr. Michael Rosenberg: We did not put any pressure...or we did not mandate.... We tried to use a normal business course to see if we could come to any settlement and sit down around the table. Unfortunately, they wouldn't even meet with me sometimes.

Mr. Patrick Brown (Barrie, CPC): I have some quick questions, but I know the time is limited.

We've heard reference from opposition MPs about meetings being organized, and they say so as if these are a big deal.

I want to ask you, Dimitri, have any opposition MPs asked you to look into files? Has an opposition MP ever asked you, in your capacity working for the Prime Minister, to look into a file?

Mr. Dimitri Soudas: Yes, it has occurred, and I find that quite normal.

Mr. Patrick Brown: It's odd they want to talk about this but have never asked us to investigate the files they want us to look into.

If I could I ask a quick question to Mr. Rosenberg regarding the letter we were referencing about this mutually advantageous

relationship with Mr. Brison of the Liberal Party, I notice that the letter Mr. Brison wrote to you was on August 18, 2006. This was in the middle of the Liberal leadership race, after he had finished in his capacity as Minister of Public Works. He was referencing the fact that you had worked with the government for 15 years.

I'm curious, have you ever had a minister contact you with information that he would have had in his capacity as Minister of Public Works but was already finished in that capacity? Was he making fundraising donations during the Liberal leadership as well?

Mr. Michael Rosenberg: Well, the letter I think was not more than a congratulatory letter saying it was the 15th anniversary of our serving the public, the government, as a landlord. It was a congratulatory letter. We had many other congratulatory letters from other people. It's very common. Leaders and potential leaders come from different parties.

Mr. Patrick Brown: Were you surprised, though, that he kept information on government leases even when he was finished in his capacity as minister?

Mr. Michael Rosenberg: I don't think he went into particulars in the letter. He just congratulated us on our 15th anniversary of service. He knew that we had done a decent job.

● (1030)

Mr. Patrick Brown: During the Liberal leadership, did he solicit funds?

Mr. Michael Rosenberg: As ongoing parties, everybody solicits funds—every party.

Mr. Patrick Brown: Which means, I guess, that he did, which is why I understand he makes the reference “mutually advantageous”.

It's funny that a Liberal scandal is a scandal when preferential treatment was not given. It's certainly contradictory to suggest there is anything appropriate when you're actually in a legal dispute that's ongoing. It reminds me of the Liberal scandal—

The Chair: Mr. Brown, your time is up.

Mr. Michael Rosenberg: Well, I can assure you—

Hon. Diane Marleau: We'll go with Madame Folco.

[*Translation*]

Ms. Raymonde Folco: Thank you, Madam Chair.

Mr. Soudas, did you lobby on behalf of one of the candidates in the running to manage the Port of Montreal?

Mr. Dimitri Soudas: The three levels of government indicated their preference. The Port of Montreal will decide this independently. The final decision rests with the Board of Directors and the government will respect and support that decision.

Ms. Raymonde Folco: That was not the question I asked you, Mr. Soudas. I understand very well how the process works. I asked if you, Mr. Dimitri Soudas, lobbied personally on behalf of one of the candidates.

Mr. Dimitri Soudas: As I said, the three levels of government indicated their preference. That being said, the Montreal Port Authority and the Board of Directors make their own decisions when it comes to hiring a President and CEO. Ultimately, they selected someone for the position. The Government of Canada respects and supports this decision.

Ms. Raymonde Folco: I think we can draw some conclusions from your comments. Often, failure to answer a question is an answer in and of itself.

Did you meet with members of the Board of Directors of the port authority?

Mr. Dimitri Soudas: I meet with a number of people in Montreal, in Ottawa and elsewhere when I travel, and I am acquainted with several members of the Board of Directors of the Port of Montreal.

Ms. Raymonde Folco: Did you meet with them to discuss this appointment?

Mr. Dimitri Soudas: No.

Ms. Raymonde Folco: Did you speak with them over the telephone? People do not always meet in person. I know that Mr. Rosenberg did not always meet with people in person. Occasionally, he speaks to them over the phone or sends them an e-mail. Were you in touch with the members of the Board of Directors?

Mr. Dimitri Soudas: I cannot recall. As I said, I know several board members. The Board of Directors acts independently when it comes to making decisions.

Ms. Raymonde Folco: Since by law the CEO of the Port of Montreal is appointed by the Board of Directors, why would the PMO intervene in this matter? Because we did receive confirmation that the PMO intervened.

Mr. Dimitri Soudas: As I told you, the three levels of government indicated their preference. As for appointing the next CEO, the decision ultimately rests with the Board of Directors of the Port of Montreal. The Board made a decision, one that the government respects and fully supports.

Ms. Raymonde Folco: Thank you, Mr. Soudas. Since I do not have much time, I will have to interrupt you.

Do you speak French, Mr. Rosenberg?

Mr. Michael Rosenberg: A little.

[English]

Ms. Raymonde Folco: Let me ask my questions in English; it will go a little faster, because there's so very little time.

Mr. Rosenberg, did you intervene in favour of the Conservative Party in the last 2006 partial election in Outremont riding?

Mr. Michael Rosenberg: I belong to a committee, an organization, called JOCC. I'm part of that committee. We sometimes endorse certain people and certain government elections. It is all based strictly on their track record, what they've done for the city and what they've done for our community. Sometimes we endorse the Liberal Party; sometimes we endorse nobody.

During the last one, actually, we did not endorse anybody because Jean Lapierre's record wasn't that great and the Conservatives didn't have much of a chance. So everybody did whatever they wanted. Actually, I endorsed Tom Mulcair. He's a good friend of mine and a smart man.

Ms. Raymonde Folco: Thank you. I'm going to have to cut you off, because I have so very little time. Forgive me.

Did you give any monetary gifts to the Conservative Party or to one of its candidates in the last five years?

Mr. Michael Rosenberg: I did. As I said before, I was trying to be fair and gave to all parties more or less equally.

Ms. Raymonde Folco: Did you pay anyone to represent your interests to the present government?

Mr. Michael Rosenberg: No, I did not hire anybody or mandate anybody.

Ms. Raymonde Folco: Could you explain to us what Mr. John Lemieux's role was in the affair of your buildings?

Mr. Michael Rosenberg: John Lemieux is a counsel, a lawyer, who I work with on many different files. I do consult him and his company on the legal matters.

• (1035)

Ms. Raymonde Folco: Did you mandate Mr. Lemieux to—I don't know how to say this in English, *de faire des démarches*—actually intervene with the cabinet of Mr. Fortier or with Public Works?

Mr. Michael Rosenberg: I did not mandate him specifically for that, no.

Ms. Raymonde Folco: You did not specifically for that, but you did talk to him about the possibility of him being involved?

Mr. Michael Rosenberg: I discussed the file with him, but I did not mandate him to intervene.

Ms. Raymonde Folco: Okay, thank you.

The Chair: Thank you very much. No, there is no time.

Before we move on to the next person who is coming before the committee, you asked to table a letter that was quoted. I'm looking here at a message that was sent by computer, signed by Mr. Terry Williston from Real Property Services at Public Works. So we can be absolutely sure this is the one you want us to have translated and circulated, is this the letter you were quoting from?

Mr. Chris Warkentin: I was requesting that because during my time for questioning I wasn't able to ask what the date was on the letter quoted by Mr. Rosenberg, or the name that was signed. I believe that's maybe the one I saw earlier. I don't know if that was the one that was quoted from. I was looking for the one quoted from with regard to, I believe, the cleanup of the glycol over the weekend. Could we just get a copy of that particular letter?

The Chair: Well, this is what is given us, and it is a message sent by computer.

Mr. Chris Warkentin: It's an e-mail?

The Chair: It's an e-mail and it's written by a Mr. Terry Williston. We'll have that translated and circulated.

[Translation]

Ms. Feille, is there something you would like to say as well?

Ms. Meili Faille: Yes. Unlike the other witnesses, Mr. Loisel did not make a statement. In fact, he referred to a chronology of the events and discussions that took place to jog his memory. Would Mr. Loisel be willing to turn over these documents to the committee?

Mr. Frédéric Loiseau: It's more of a quick reference tool. It's not really a...

The Chair: Would you be willing to...?

Mr. Frédéric Loiseau: is this standard procedure? These are not really speaking notes. I did not read everything I had written down here. That's why I did not cover everything. This is merely a check list of sorts.

Ms. Meili Faille: Since we had little time to review the chronology...

Mr. Frédéric Loiseau: If I had a prepared statement, I would be happy to turn it over to the committee. However, that's not the case.

The Chair: He did not make a statement. He merely addressed the committee. Therefore, members will have to refer to the record. This is not a formal document.

Thank you.

[English]

I thank you all for coming before the committee.

We will now be taking a very short break, because we will be receiving Mr. Fortier, following...

- _____ (Pause) _____
-
- (1040)

The Chair: I call the meeting back to order.

We are welcoming Minister Fortier once again to the committee.

[Translation]

The clock is ticking, Mr. Fortier. We would like to begin.

Hon. Michael Fortier (Minister of Public Works and Government Services): Ms. Folco was reminding me that she had defeated me in 2000.

The Chair: That happens.

[English]

Ms. Raymonde Folco: Could you put that on the record?

The Chair: It is on the record.

[Translation]

Would you like five minutes, Mr. Fortier?

Hon. Michael Fortier: No.

The Chair: You do not wish to make a presentation?

Hon. Michael Fortier: Not at all.

[English]

The Chair: Mr. Fortier doesn't have a statement, so would you like to begin the questioning?

[Translation]

Ms. Raymonde Folco: Are we up first, Madam Chair?

The Chair: The Liberals always go first.

Ms. Raymonde Folco: I need 30 seconds, Madam Chair.

The Chair: Would you like the Bloc to lead off?

Ms. Raymonde Folco: No, I'm ready.

Welcome, Mr. Fortier. As I was saying earlier, I have the impression that I'm attending a family gathering because everyone is from Laval. I hope Canada won't think that terrible things are happening in Laval. On the contrary, Laval is a very lovely city and a nice place to call home. We go back a long way, you and I. Welcome and thank you for agreeing to come here today.

When were you told that the PMO was interested in the Rosdev Group file?

• (1045)

Hon. Michael Fortier: To be quite honest, my chief of staff informed me that he had met with Mr. Soudas. I don't know if that qualifies as interest on the part of the PMO. Mr. Soudas asked him some questions and a meeting took place. That was when I learned that Mr. Soudas had contacted my chief of staff.

Ms. Raymonde Folco: Did your staff tell you about the meeting of August 2, 2006 in the Langevin Block?

Hon. Michael Fortier: Yes, absolutely.

Ms. Raymonde Folco: According to our sources, some members of your staff, Mr. Dimitri Soudas and representatives of the Rosdev Group were in attendance. Is that correct?

Hon. Michael Fortier: You're saying that some representatives of the Rosdev Group were at the meeting?

Ms. Raymonde Folco: Yes.

Hon. Michael Fortier: At the August 2 meeting?

Ms. Raymonde Folco: Yes, Minister, at the August 2, 2006 meeting.

Hon. Michael Fortier: To my knowledge, the meeting was attended by staff from my office, by Mr. Soudas, I believe, and by another person working with Mr. Soudas. I was not at the meeting.

Ms. Raymonde Folco: But clearly, some of your staff were there?

Hon. Michael Fortier: Yes, of course.

Ms. Raymonde Folco: Did your staff members inform you that the PMO had suggested you consider the possibility of suspending or staying legal action against the Rosdev Group?

Hon. Michael Fortier: No.

Ms. Raymonde Folco: Aside from the meeting in question, did the PMO intervene in this matter on any other occasions?

Hon. Michael Fortier: Mr. Soudas put several questions to my chief of staff. He met with him and, to my knowledge, there were no other meetings between Mr. Soudas or someone from the PMO, and members of my staff, as you said.

Ms. Raymonde Folco: And aside from the meeting in question, did the PMO intervene in this matter on any other occasions?

Hon. Michael Fortier: To my knowledge, no.

Ms. Raymonde Folco: Were you made aware that Dimitri Soudas had sent one or more e-mails to your office concerning this matter?

Hon. Michael Fortier: No, I do not believe I was told of any e-mails.

Ms. Raymonde Folco: Is it common practice for the PMO to give you precise instructions on how to manage cases like the Rosdev Group matter?

Hon. Michael Fortier: Absolutely not.

Ms. Raymonde Folco: What do you know about Mr. Housakos' involvement in this matter?

Hon. Michael Fortier: I don't know anything about that.

Ms. Raymonde Folco: Are you aware that Mr. Housakos is a lobbyist and Conservative activist?

Hon. Michael Fortier: I'm not aware that he is a lobbyist. As for him being a Conservative activist, I have met him before at party functions, but that was some time ago.

Ms. Raymonde Folco: For your information, Mr. Housakos is heavily involved with the Conservative party in Laval, the riding that I represent in Parliament. He was involved with the Conservative Party when you were running as a candidate.

Hon. Michael Fortier: He was a member of the Canadian Alliance party at the time.

Ms. Raymonde Folco: Thank you. I have no further questions, Madam Chair.

The Chair: Ms. Faille.

Ms. Meili Faille: Mr. Fortier, can you tell us if, after the August 2, 2006 meeting, additional meetings were held, with Rosdev in particular, to discuss federal buildings?

Hon. Michael Fortier: Meetings between whom exactly?

Ms. Meili Faille: I'm sorry, between the PMO and yourself.

Hon. Michael Fortier: There were never any meetings between myself and the PMO.

Ms. Meili Faille: Were you ever present at a meeting attended by one of the witnesses called to testify here this morning?

Hon. Michael Fortier: One of these witnesses is my chief of staff. It would be cause for concern if I had never met him. So then, apart from my chief of staff, I would have to answer no, I have never met with the four other witnesses.

Ms. Meili Faille: Not with Mr. Lemieux, or with... Fine then.

As I said, the purpose of today's meeting is to shed some light on this whole affair. Perhaps I'm imagining things, but I find that many meetings have taken place since the early summer of 2006. We know that there have been several meetings, as well as numerous telephone calls.

Is it customary for the PMO and the office of the Minister of Public Works to schedule this many meetings before having officials intervene?

• (1050)

Hon. Michael Fortier: You are asking if this is customary, Ms. Faille, but as you know, when I inherited this file on February 6, 2006, it was already before the courts, and it is still before the courts today. My chief of staff met with Mr. Soudas in August 2006.

Obviously, the deputy minister, his team and I discussed this matter on several occasions following that initial meeting, but never in the presence of anyone from the PMO.

Ms. Meili Faille: I see. I would like to split my time with my colleague who has worked more on this property file.

The Chair: Ms. Bourgeois

Ms. Diane Bourgeois: Good day, Mr. Fortier.

I have to admit that I'm learning a lot about your relations with the PMO as a review this matter. It makes me realize that you might be under pressure from all sides. As a result, I'm even more sympathetic to your plight, even if our relations haven't always been very gracious. I know it's unpleasant to be pressured in this manner and to try and resist. It is very clear to us that your office was pressured into trying to settle the Rosdev case.

You appeared before this committee when it looked into the sale of seven buildings and on numerous occasions, you were questioned about the sale and lease back or sale of these buildings. We maintained that it wasn't clear if this arrangement benefited the government and taxpayers.

Why is it that you never mentioned to us the legal proceedings against Rosdev and everything else surrounding this affair?

Hon. Michael Fortier: There was a good reason for that. The information was not relevant. Currently, we lease two buildings. I imagine that you are very familiar with the dispute and that you have read up on this case. The buildings that were sold that summer belonged to the government. Therefore, there was no point talking about buildings that did not belong to us. I didn't see how a legal dispute between a tenant and an owner was relevant to the sale of these buildings.

Ms. Diane Bourgeois: In the case of sales and lease back arrangements, the fact remains that the government is the tenant and may encounter the same problem that you are having with the Rosdev Group. The government's new landlord is Larco Investments.

Is there any danger that we might encounter the same problems with Larco Investments that we have had with the Rosdev Group?

Hon. Michael Fortier: From that perspective, we mustn't be afraid of being afraid, Ms. Bourgeois.

Ms. Diane Bourgeois: It's normal to have some concerns.

Hon. Michael Fortier: We mustn't be afraid of being afraid. In the matter under review this morning, the government leases quite a large number of buildings. The Rosdev Group owns two buildings, or a small percentage of the leasing portfolio. Disputes have arisen with very few of our landlords. We are on good terms with our landlords, and we have an excellent relationship with Larco Investments.

Ms. Diane Bourgeois: It would have been nice to know that, Minister.

The Chair: Thank you, Ms. Bourgeois.

Monsieur Kramp.

[English]

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Madam Chair.

Welcome, Minister.

Are you planning on running in the next election, Minister?

Hon. Michael Fortier: I am, sir, indeed.

Mr. Daryl Kramp: What riding would you be planning on running in?

Hon. Michael Fortier: I'll run in Vaudreuil—Soulanges.

Mr. Daryl Kramp: Could you tell us the nominated candidates or members there that you would be running against?

•(1055)

Hon. Michael Fortier: That would be Meili Faille.

Mr. Daryl Kramp: Oh, you would be running against the Bloc candidate who brought forward the motion against you today to solicit you here?

Hon. Michael Fortier: I believe that to be the case, sir. I know it's a coincidence, but it's a good thing you singled it out.

Voices: Oh, oh!

Mr. Daryl Kramp: I just thought I'd put that into the record, since we obviously have a typical abuse of some of the activities that sometimes go on here.

Might I say, Minister, I think we've heard a fair bit of testimony today, and particularly about the close affiliation that Mr. Rosenberg had with regard to the Liberal Party, and the fundraisers, and on and on.

Of course, you're probably very, very familiar with Mr. Rosenberg. How many times have you been at events and how many times have you really run into Mr. Rosenberg? Has he had official meetings with you?

Hon. Michael Fortier: I'm tempted to say the first time I ran into him was actually five minutes ago.

Mr. Daryl Kramp: That's the first time you—

Hon. Michael Fortier: I believe so. We may have met at a large Chamber of Commerce function; he may have come over and shook.... But, frankly, I do not know the individual at all.

Mr. Daryl Kramp: But Mr. Rosenberg or any delegations have never made any—

Hon. Michael Fortier: No.

Mr. Daryl Kramp: —any entrees directly to you at any particular time?

Hon. Michael Fortier: They have not. Well, they didn't make them to me personally.

Mr. Daryl Kramp: You've had no brown bags end up on your desk or anything like that?

Hon. Michael Fortier: No, sir.

Mr. Daryl Kramp: Okay. Well, thank you.

There's an inference that going directly to ministers such as yourself would dramatically change the course of the fortunes of

people, and that ministers like yourself would arbitrarily just do things for individuals at the expense of the public treasury.

Now, since this government, our Conservative government, has come to power, and you've been a minister regarding Public Works, have there been any major changes in the direction of litigation or have there been any cases settled out of court with reference to the Rosdev file?

Hon. Michael Fortier: No. As I said earlier, I inherited a file that was already before the courts. When I was briefed on this matter by my deputy and his senior staff, I was satisfied that they had undertaken the right course of action, that they were properly defending the crown's rights, and I still believe that to be the case today, two years later.

Mr. Daryl Kramp: Fine.

Did that deputy chief of staff, Mr. Loiselle, make direct representation to you suggesting dramatic changes to that, or that the Rosdev file should have your special attention?

Hon. Michael Fortier: Absolutely not.

Mr. Daryl Kramp: I really have no more questions, Madam Chair.

The Chair: Thank you.

Mr. Angus is next.

Mr. Charlie Angus: Thank you.

It's always good to follow up after my friend, Mr. Kramp, because he helped set up a very clear picture for us.

I remember the first time we met, Mr. Fortier, I said, "How many times do you meet lobbyists?" and you said, "I don't meet lobbyists."

Hon. Michael Fortier: No.

Mr. Charlie Angus: It was very clear. It's been set very clear from the get-go that you've not been involved in this file because Mr. Loiselle said it was a commercial issue; it's an issue before the courts. Your staff have briefed you on the case, so you don't personally get involved in it.

Hon. Michael Fortier: Though I don't personally, I don't want people to think that I am hands-off to a point where I don't know what's happening. I do know what's happening.

Mr. Charlie Angus: You know what's happening.

Hon. Michael Fortier: Absolutely.

Mr. Charlie Angus: But you've chosen to—

Hon. Michael Fortier: I deal at arm's length.

A lot of MPs write me letters, not just Conservative MPs, but Liberal MPs and Bloc MPs write me letters about issues that deal with their constituents and Public Works; they're disappointed because their constituents lost the contract or something. I get this all the time, and we look into the file and give them an official response based on what public officials tell us at Public Works. That's the way it should be done.

Mr. Charlie Angus: The main question we're coming down to here is just how this meeting happened, not anything that happened out of this meeting but how did that meeting.... That's the question I'm trying to get my sense around.

So Mr. Soudas from the Prime Minister's Office looked into this, because they thought it was a political issue. You clearly see it as a commercial issue. So did they approach you about this meeting, or did they go to your chief of staff? How did that happen?

Hon. Michael Fortier: Nobody approached me. I wasn't invited to that meeting.

Mr. Charlie Angus: You were aware before the meeting happened, or you found out after the meeting?

Hon. Michael Fortier: No, I was aware that my chief of staff was going to attend that meeting. He briefed me after the meeting, and that was it.

Mr. Charlie Angus: Was Mr. Soudas saying he was calling from the Prime Minister's Office?

Hon. Michael Fortier: He didn't phone me.

Mr. Charlie Angus: No, but to your staff and they informed you.

• (1100)

Hon. Michael Fortier: They were going to meet Mr. Soudas at his office to discuss—

Mr. Charlie Angus: The Prime Minister was interested in it or Mr. Soudas?

Hon. Michael Fortier: They were going over to Mr. Soudas' office to discuss the file.

Mr. Charlie Angus: I'm not trying to trap you or anything.

Hon. Michael Fortier: You won't.

Mr. Charlie Angus: If I can get my one question answered, I'm happy.

Hon. Michael Fortier: What is the question?

Mr. Charlie Angus: Was Mr. Soudas doing this because Mr. Soudas was interested, because he had been asked by people in

Montreal, or was this from the Prime Minister's Office? Was it, you know, "Dimitri, just check into this and see if everything is on the up-and-up"?"

Hon. Michael Fortier: I understand that he's made it very clear that his inquiries originated from the fact that he was being asked by folks in Montreal.

Mr. Charlie Angus: So he was doing this on his own, then?

Hon. Michael Fortier: Well, you asked him this morning. I wasn't here. My understanding—

Mr. Charlie Angus: I know. I couldn't get a sense from him if he had delegated authority from the Prime Minister or not.

I'm almost done here.

Mr. Housakos told the *Toronto Star* he thought this information was leaked because it was an inside job, an inside job that people are speculating came from people in your department. Do you have any awareness of why people on your staff would leak the fact that the Prime Minister's Office was meddling in Public Works?

Hon. Michael Fortier: Listen, the story is there. It is what it is. I think you're calling on me to answer questions. I'm answering questions. I won't speculate on why it's out there.

Mr. Charlie Angus: You said he didn't have any bad blood, but you left that hanging in the air. I just want to clear the record.

Hon. Michael Fortier: Bad blood with whom?

Mr. Charlie Angus: Over that election in 2000, when he ran against you.

Hon. Michael Fortier: No, he beat me, so there shouldn't be bad blood. No, absolutely not.

Mr. Charlie Angus: Thank you very much.

The Chair: Do I have any other questions from any MPs?

That being said, we thank you for coming on such short notice.

We will adjourn the meeting to next Tuesday morning.

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