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## Standing Committee on Public Accounts

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**Monday, April 16, 2007**

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**Chair**

**The Honourable Shawn Murphy**

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Monday, April 16, 2007

• (1525)

[English]

**The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)):** I would like to call the meeting to order at this time.

I want to welcome everyone here. Colleagues, members, witnesses, pursuant to Standing Order 108, this is a meeting on chapter 9 of the November 2006 *Report of the Auditor General of Canada*, on the Royal Canadian Mounted Police pension and insurance administration.

Before we start with the witnesses, there are a couple of items I want to address. There's some confusion as to the role that this committee plays in our parliamentary system, and the role that other investigative bodies play, including the courts. I'm going to read a prepared statement on the whole issue of parliamentary privilege, just to get this on the record, because it is very important:

There is considerable Parliamentary, public, and media attention in the current proceedings of the Public Accounts Committee. There may also be a lack of sufficiently precise information as to the exact nature and manner of these proceedings. Therefore, at the outset of today's sitting of the Committee, I would like to sketch out some of the ground rules under which I consider our work to be conducted.

The Public Accounts Committee is a creature of the House of Commons; it is not a court of law. Therefore, the nature of the Committee and of its proceedings is parliamentary, not judicial. The rules of procedure of House of Commons Committees such as this one, the rights and powers of its members, and in particular the rights and obligations of witnesses before the Committee are guided by the branch of constitutional law known as the law of parliamentary privilege.

Pursuant to parliamentary privilege, witnesses who are asked to appear are obliged to do so, as if they had been subpoenaed before a court. Pursuant to parliamentary privilege, while witnesses are, in usual circumstances, not required to be sworn in, they do have the obligation to be truthful in response to the questions addressed to them and to give complete answers, as if they had been sworn in. There should be full and frank disclosure.

And I should point out today that the committee has adopted a policy that in this particular hearing everyone is going to be sworn in.

Witnesses whose testimony before the Committee is believed not to be truthful may become the subject of proceedings in contempt of Parliament or in perjury, at the behest of the Committee itself.

It is very important to note that testimony given by witnesses to the Committee speaks for itself. It is one of the fundamental principles of parliamentary privilege that testimony given before a committee can neither be used in any other forum, such as a court of law, nor can its truthfulness be questioned in another forum, such as a judicial inquiry or a court of law. This principle is a factor of the independence of Parliament and the courts and of their separation from each other. The counterpart of this principle is that lack of truthfulness or lack of complete answers in committee proceedings will not absolve witnesses from their responsibilities to the Committee.

The Committee will instruct the Law Clerk and Parliamentary Counsel of the House of Commons to advise the Committee whenever there is doubt as to the

truthfulness or completeness of testimony and second to ensure, through whatever steps may be necessary, that testimony given before this Committee is not used in judicial or other such proceedings.

In other words, the committee will, as it has in the past, protect its parliamentary privileges.

That's just a brief thumbnail sketch of the nature of these proceedings. Again, as I indicated in my opening statement, the committee has made a policy decision to swear everyone in, so I'm going to ask the clerk to swear the witnesses in at this point in time. We are then going to go right to the opening statements.

Mr. Williams.

• (1530)

**Mr. John Williams (Edmonton—St. Albert, CPC):** Since you're talking about parliamentary privilege, I have a point of privilege that I myself would like to raise.

Do you want to do the swearing in first?

**The Chair:** I think we will, yes.

**Mr. Dominic Crupi (As an Individual):** I, Dominic Crupi, do solemnly, sincerely, and truly affirm and declare the taking of any oath is, according to my religious belief, unlawful, and I do also solemnly, sincerely, and truly affirm and declare that the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth.

**Mr. Jim Ewanovich (As an Individual):** I, Jim Ewanovich, do solemnly, sincerely, and truly affirm and declare the taking of any oath is, according to my religious belief, unlawful, and I do also solemnly, sincerely, and truly affirm and declare that the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth.

**Mr. Giuliano Zaccardelli (Former Commissioner, Royal Canadian Mounted Police, As an Individual):** I, Giuliano Zaccardelli, do solemnly, sincerely, and truly affirm and declare the taking of any oath is, according to my religious belief, unlawful, and I do so solemnly, sincerely, and truly affirm and declare that the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth.

**Mr. Ron Lewis (Staff Sergeant (Retired), Royal Canadian Mounted Police, As an Individual):** I, Ron Lewis, do solemnly, sincerely, and truly affirm and declare the taking of any oath is, according to my religious belief, unlawful, and I do also solemnly, sincerely, and truly affirm and declare that the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth.

**C/Supt Fraser Macaulay (Chief Superintendent, Royal Canadian Mounted Police):** I, Fraser Macaulay, do solemnly, sincerely, and truly affirm and declare the taking of any oath is, according to my religious belief, unlawful, and I do also solemnly, sincerely, and truly affirm and declare that the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth.

**The Chair:** Mr. Williams, you have a point of order?

**Mr. John Williams:** No, it's a point of privilege, Mr. Chairman.

In these last few weeks, while we've had a break, my name has been in the media. This was not by myself, Mr. Chairman; it has actually been by another member of the committee, Mr. Wrzesnewskyj. For example, on the CBC morning news on March 29, he stated, and I quote:

It's incomprehensible. When you take a look at the allegations, month after month and motion after motion in front of the public accounts committee, they blocked, including Mr. Williams. It's incomprehensible. What were they hiding?

Mr. Wrzesnewskyj has gone on at great length in the media, Mr. Chairman, to talk about me blocking the investigation into the RCMP.

I would like to quote, Mr. Chairman, from the February 26 public accounts committee testimony, where I said:

We had a hearing with the Commissioner of the RCMP and the chief of police for the Ottawa Police Service. They told us that nobody had benefited from the misaccounting of the funds in the pension fund. There was no evidence that they felt they could use to go to court to obtain a prosecution. This is with about 16 people being assigned to this case over a number of months. Therefore, I don't know what we can do that they couldn't do.

I continued on, Mr. Chairman, to say:

I just have one final point, Mr. Chairman, and it is that with perhaps one exception, if the letter comes back from the RCMP saying there was some serious mal-administration regarding the removal of Staff Sergeant Mike Frizzell from the case, then I'm prepared to revisit. At this point in time, though, I think we'll just have to say we're done with it.

Mr. Chairman, I have no problem with Mr. Wrzesnewskyj having his point of view. Whether it is correct or erroneous, that is up to him to defend it. But when he uses my name, Mr. Chairman, to bring the spotlight to himself, to try to claim that he was the architect of this investigation when he knew that nobody else appeared to be in command of the facts that he had.... He didn't share them with us. He didn't use the opportunity to enlighten us. And now he takes my name and uses it as if I was trying to block this investigation. That is completely false, Mr. Chairman.

I would ask that you ask Mr. Wrzesnewskyj to withdraw his remarks and apologize for the remarks he has been saying in the media and taking my name in vain.

• (1535)

**The Chair:** Thank you very much, Mr. Williams.

I'm going to ask for a brief response from Mr. Wrzesnewskyj, if he so chooses.

However, I will point out what I believe you probably already know, Mr. Williams. This committee has no power over privilege. That is a matter that would have to be dealt with by the House.

Mr. Wrzesnewskyj, do you have a brief response?

**Mr. John Williams:** Mr. Chairman, I disagree. If this committee feels there's a breach, we report it to the House.

**The Chair:** You can report it yourself, too.

**Mr. John Williams:** I know, but this committee can, too.

**The Chair:** Mr. Wrzesnewskyj.

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** Mr. Chair, Mr. Williams has made several allegations.

The record will show that as far back as the first weeks of December I had motions before this committee that attempted to get at the matter at hand and to get at the documentation. The record will also show that Mr. Williams often took the charge in preventing those motions from going forward. The Conservative members of the committee, as a bloc, continually voted against these.

And he's made allegations that I was privy to information that I did not share. In fact, the record will show that I tabled a synopsis of the various and very serious allegations that have been made. Notwithstanding having those documents before them, Mr. Williams and the Conservative members on this committee continued to block....

Mr. Williams does have other avenues available to him. Right now we have another matter at hand, and I suggest we get on with the work that is on the agenda.

**The Chair:** Thank you very much, Mr. Wrzesnewskyj.

Mr. Williams.

**Mr. John Williams:** Mr. Wrzesnewskyj continues to speak these accusations that I continually blocked the investigation. He says it's a matter of record. Therefore, I would ask that Mr. Wrzesnewskyj bring to this committee the record that shows I've continued to block, because that is absolutely false and misleading and untrue.

**The Chair:** Okay, that's—

**Mr. Borys Wrzesnewskyj:** If I could quickly respond to that, I believe the voting record clearly demonstrates how Mr. Williams has proceeded in this manner.

**Mr. John Williams:** My point, Mr. Chairman, is that he has to bring that allegation to the committee and point out, on the record, where on the record I did that, because it's not on the record. The only time I had any opinion, I mentioned it and I read it, saying that if there are facts to support it, I will support the investigation. There was no other time that I voted. I don't sit on the steering committee and I don't decide the agenda of this committee. For Mr. Wrzesnewskyj to drag my name through the mud in the media is just unacceptable.

**Mr. Borys Wrzesnewskyj:** Mr. Chair—

**The Chair:** No, I'm sorry, Mr. Wrzesnewskyj. We're going to move on here. If someone wants to bring a matter of privilege to the House, they're entitled to do so. You can or Mr. Williams can. But we're going to go to the witnesses.

Colleagues, we're very pleased to have with us today Giuliano Zaccardelli, former Commissioner of the Royal Canadian Mounted Police; Jim Ewanovich, of the Royal Canadian Mounted Police; Chief Superintendent Fraser Macaulay, who was with us at the previous hearing; retired Staff Sergeant Ron Lewis, who was with us at the last hearing; and Dominic Crupi.

On behalf of the committee, I want to extend a warm welcome to each and every one of you.

We are not hearing opening statements from Mr. Macaulay or Mr. Lewis, of course, but we have opening statements from Mr. Zaccardelli, from Mr. Ewanovich, and from Mr. Crupi.

I'm going to start with you, Mr. Zaccardelli. I notice your opening statement is probably in excess of five minutes, but that is fine. We allowed previous witnesses to go beyond that, so just do your entire opening statement.

**Mr. Giuliano Zaccardelli:** Good afternoon. *Bon après-midi.*

Before we proceed to questions and with your permission, I would like to make this brief statement.

As you will note, I have provided the committee with a written statement that includes more detail; however, in the interest of time I would like to provide a very brief overview of the facts surrounding my actions with regard to the RCMP pension fund. I hope that in doing so I can set the stage for further questions and provide a necessary balance to the presentations and interpretations of facts that were brought forward to this committee three weeks ago.

I know the committee is both committed and mandated to review any and all information that is brought forward, with a judicious requirement for due process and proper balance. I am sure there are many who share my concern that uncorroborated and highly individualized input puts these principles at risk, as does premature comment before all of the information relevant to a careful and thorough review is put before this committee.

In the spring of 2003, Staff Sergeant Ron Lewis brought to my attention concerns he had regarding the administration of the RCMP pension fund. I responded by writing a memo to the head of internal audit directing that these issues be examined and that the matter be given top priority. My determination was that the best course of action was to initiate an internal audit.

In October 2003 I was given a copy of the completed internal audit. I summarized the identified problems, as they were of great concern to me, as follows: evidence of nepotism in hiring in management, improper billing of contracts and contract splitting, failure to comply with Treasury Board and RCMP policies regarding contracts and hiring, improper charging of administrative fees to the pension fund.

However, the audit report found no indication of criminal activity. The report clearly identified the responsible individuals as the chief human resource officer and the director general of the National Compensation Policy Centre. That day, Mr. Chairman, immediately after reading the report, I took the following steps.

I met with and requested and received the resignation of the chief human resource officer. I then appointed Barbara George as the new

chief human resource officer. I directed Ms. George to remove the director general of the National Compensation Policy Centre from his position. I further instructed Ms. George to carefully review and act upon all issues outlined in the audit report. I briefed the deputy commissioner for corporate management and directed him to immediately review to ensure that all proper financial control systems were in place and to reverse any inappropriate charges against the pension fund.

I want to note very clearly here that protecting the fund was and remained my topmost priority, and no repercussions to the pensions of RCMP employees and veterans exist as a result of this situation. It was my belief that the implementation of this plan of action would result in the proper amelioration of the identified problems.

It came to my attention over the next few months that concerns were still being expressed about the process of response that had been put into place by Staff Sergeant Lewis, Chief Superintendent Macaulay, and others. After I consulted with Deputy Commissioner Garry Loepky at some length, we decided to ask the Ottawa Police Service to carry out an independent criminal investigation.

This investigation began in March of 2004. Fifteen months later, in the summer of 2005, the Ottawa Police Service completed their investigation. The Ottawa Police Service consulted with crown counsel with the Ministry of the Attorney General for the Province of Ontario about the results of its extensive investigation. Crown counsel reviewed the facts disclosed by the investigation and advised the Ottawa Police that there was no reasonable prospect of conviction on criminal charges. The Ottawa Police Service report reiterated the problems as outlined in the internal audit, and furthermore, it went on to name a number of employees who may have been in violation of the RCMP code of conduct.

● (1540)

I immediately directed the chief human resource officer, Ms. George, to commence a review under the RCMP Act with respect to this element of the Ottawa Police Service report. During the time this review was under way, the Federal Court of Appeal handed down a decision on another case that now, for the first time, clarified the issue of when the clock should be considered to start ticking on the one-year limitation of action. As a result of the Federal Court decision, the deputy commissioner in charge of the process informed me that he was not able to proceed further on disciplinary action. Nevertheless, as I have already stated, the two people identified as having overall responsibility had been removed from their positions.

Before we proceed to questions, I would like to make two further comments.

The first relates to the very serious and, to me, offensive allegations that have been made to this committee and, subsequently, by some committee members outside of these chambers. That is that I personally engaged in a process of cover-up related to the pension fund. Nothing could be further from the truth. From the outset, all steps taken by me and by management were openly reported upon and documented.

Let me briefly itemize. I met on a regular basis with RCMP divisional representatives and their executive committee to report our actions vis-à-vis the pension fund. As I've already noted, an internal audit team was established, and their report was tabled and reviewed by the senior management team. In turn, this report was immediately forwarded to the Treasury Board and to the Auditor General of Canada. As I have also just described, the Ottawa Police established an independent investigative team, and their work was reviewed by crown counsel of the Ministry of the Attorney General for the Province of Ontario.

In 2006, the Auditor General reviewed the administration of the RCMP pension plan. Her report was thorough and complete. As she noted, she said, "The RCMP responded adequately to its internal audit and the OPS investigation." She went on to itemize a number of unresolved matters and to say, "The RCMP has responded. The Royal Canadian Mounted Police has agreed with each of our recommendations and is in the process of taking corrective action."

A number of media articles have been published about this situation, clearly putting it into the public domain. There were a number of communications regarding the progress of this situation to all employees via my commissioner's broadcast, which is an internal e-mail communication to all 25,000 employees of the RCMP. I met on at least two occasions with the RCMP Veterans' Association and reviewed the pension fund issues.

Now, I want to make one thing clear: I have never been under the misapprehension that all parties were necessarily happy with the steps that were taken and the management approach to this issue that I was pursuing as commissioner. As you can imagine, there were very few of the thousands of decisions that I undertook during my tenure as commissioner that were unanimously supported. That is one of the burdens and challenges of leadership, of course. However, there is a significant difference between disagreeing with the steps taken by management and making allegations that management is covering up or acting corruptly, as Lewis, Macaulay, and others who disagreed have done.

Mr. Chairman, I do not plan today, or in the future, to grant any quarter to remarks made at this committee or elsewhere inferring corruption at the RCMP or associated with me. Such allegations are so completely baseless that I can only surmise that frustration and anger have badly clouded the thinking of the individuals who have made such unfounded and unsubstantiated statements. In my view, the responsibility of this committee and the purpose of my appearance here today is to assist the committee in discharging its mandate to carry out a careful, thorough, and judicious review of the problems and solutions found vis-à-vis the RCMP pension fund.

• (1545)

I would like to close these remarks with one final comment of a more personal nature. As you will have gathered from a number of my comments, I am deeply concerned about the inferences and accusations that have been levied against me in this committee and in the public sphere as a result. I have not had, before today, the opportunity to provide information or respond to questions, and yet, Mr. Chairman, it appears that many conclusions have been arrived at regardless. I am confident that this cannot have been the intention of

the committee, and I look forward to clearing up the misconceptions that have been allowed to flourish.

Nonetheless, whether intended or not, my integrity has been called into question. This is perhaps, as some people view it, the unavoidable wages of leadership. But I cannot let this opportunity pass without once again stating without equivocation that nothing could be more important to me than honouring and protecting the men and women with whom I have worked. Any review of my work and record in management would reveal this as my top priority, even to the last complicated set of decisions I was challenged to defend, and for which I decided to resign.

My commitment has always been to my colleagues. Throughout the 36 years of my career, I have always held to an overriding commitment that remains as true today as it did on the day I first donned my uniform: to live by my values, exercise my fairest judgment, and carry out my duty, to the best of my ability as a member of the Royal Canadian Mounted Police, for Canadians and Canada.

Thank you, Mr. Chairman.

• (1550)

**The Chair:** Thank you, Mr. Zaccardelli.

I now want to turn to an opening statement by Mr. Ewanovich, but before I do that I have a housekeeping matter.

At the last meeting a large number of documents were tabled in English only. They have been translated and circulated to the members. I'm going to deem them tabled at this time.

Mr. Ewanovich.

**Mr. Jim Ewanovich:** Thank you, Mr. Chair.

Many terrible and hurtful things have been said about me in this protected room, published in the newspapers, and spread across the media. I thank the committee for the opportunity to provide my side of the story. I have not had the opportunity to do this beforehand.

The first 22 years of my career were in progressively responsible HR positions as a public servant in the RCMP. I spent 12 years in the Treasury Board Secretariat in the HR policy branch, during which I was responsible for HR planning, business planning, departments, and led major initiatives, including interdepartmental committees for the renewal of the personnel community, the science community, and the IT workforce.

Recollecting my 34 years before rejoining the RCMP, I do not remember ever receiving a complaint or a grievance from employees, and definitely not ever discipline from management. I did receive awards, letters of commendation, and the Head of the Public Service Award. Indeed, my reputation was one of success, especially in building relationships with senior managers, departments, bargaining agents, and associations.

I was appointed in October 2000 following a competition as chief human resources officer. There appears to be a misconception about my role in the RCMP. The director of the National Compensation Policy Centre, NCPC, Dominic Crupi, did not report directly to me; he reported to the director general of human resources programs, a chief superintendent, who in turn reported to me. Indeed, there were five DGs who reported to me, with approximately 300 employees under my direction and another 1,000 across the RCMP.

When I arrived at the RCMP in 2000, the HR challenges for an organization of 24,000 members and employees across Canada were enormous. Quite frankly, it was described as the hardest job in the RCMP. I was recruited following the recommendation of the former commissioner to add civilians to the senior administrative positions in the RCMP. However, it is evident to me that, for whatever reason, there is still a certain faction within the RCMP that believes public servants should not hold office in senior positions.

Time does not permit me to discuss them all, but I'd like to discuss and explain a few areas that worked.

We established leading-edge succession planning, senior staffing, mentoring, and management and executive development. An overburdened grievance system, which had hundreds of grievances more than two years old, was revised and streamlined. RCMP Depot was refitted, ramped up to 1,200 candidates. We also proudly graduated the first Inuit troop for Nunavut.

Part II of the Canada Labour Code was implemented. Diversity in management exceeded government standards. We modernized an outdated classification system. A new comprehensive learning strategy was developed. Compensation issues were negotiated with Treasury Board. With the division representatives, we overhauled the labour management regime with a new constitution, bylaws, and assigned protocol with the commissioner.

We improved human resources information systems and had extensive workshops on internal investigations. We improved the promotion system. We resolved many issues for members in the north. An extensive project was undertaken to combine two categories of civilian employees to save \$4 million to \$5 million. We resolved HR issues surrounding summits, the G8 and other major events, including research completed on establishing a reserve force to handle unusual demands.

Firstly, I mention some of these because I am proud of the success we have with the long, hard work and cooperation of HR employees, division reps, and managers in resolving these issues.

Secondly, I mention them because, as far as I'm aware, none of the other programs or these issues or policies or projects under my responsibility had the financial issues or employment issues of the pension area. There was never any corruption that I was aware of under my responsibilities, and I deny any allegations that I was corrupt.

The pension initiative was only one of hundreds of issues on my plate. I became chair of the pension advisory committee in March 2001, wherein the pension outsourcing initiative was already in place. The committee consisted of deputy commissioners, two division reps, outside representatives, a retired member, representatives from the Solicitor General of Canada, legal service, and

members from the office of financial institutions. This committee was supported by the director of NCPC and secretarial staff.

With respect to contracting, I did not participate in the selection or the management of contractors. I would like to explain, however, the actions that I took when flags were raised.

● (1555)

When I was approached in, I believe, early 2002 by senior representatives of finance and the director general, they advised me of irregularities and breaches of contracting rules by the director of NCPC, Dominic Crupi. As a result, I asked them to remove his contracting authority.

In June 2002, issues were raised by procurement and staff verbally about contracting expenditures, costs, and charges surrounding the pension project. As a result, I initiated the A-base review of HR funding and expenditures. This is the review that Ms. Denise Revine undertook and subsequently reported on in 2003.

A pension accounting unit approved by the pension advisory committee was set up in July 2002 to prepare financial statements to record, track, monitor, and report on financial activities. As well, the committee approved the creation of a PAC finance subcommittee to review the financial statements and monitor investment returns and administrative costs.

In April 2003, the advisory committee hosted officials from the Office of the Auditor General who reviewed the financial statements of the plan and stated that transactions of the plan that had come to their attention during the audit were found to have been in accordance with the RCMP Superannuation Act and Regulations.

In June 2003, the internal RCMP audit was launched, the results of which were not given to me until late November.

I'd like to discuss the hiring practices and the nepotism. I was approached by the director of staffing policy, I believe in April 2002, concerning the director of NCPC not following staffing rules. He apparently quoted me as saying that he could hire casuals. Yes, he did have the authority to hire casuals, but not to bypass RCMP staffing rules and regulations. I personally spoke to the director of NCPC and told him he must use staffing and the staffing process. Approximately six months later I specifically asked him if he had gone through staffing, and he stated, yes, he had followed the staffing rules.

In early 2003—April, I believe—I spoke to his supervisor, the director general, because it had come to my attention once again verbally that there were problems with the staffing in NCPC. I asked him to investigate. He advised me there were problems with the hiring of friends and family. I asked him to identify all the employees who had been improperly staffed and that none of them were to be extended or rehired. Once again I spoke to the director of NCPC and confronted him as he stated that he had followed the RCMP rules. I did not take further action as at this time I was advised that an internal audit was being launched.

It has been stated that my daughter was one of the hires in the pension area. I believe it is important to make clear that my daughter did not work in the pension area or anywhere that was under my direction. I state emphatically that I did not influence, ask, direct, or get involved in the hiring of my daughter. Anyone who says differently is simply not telling the truth.

There have been and are many generations of police officers and civilians who have a tradition of working in the RCMP. As well, there are many spouses and children of public servants who work in the government, all staffed through proper process.

I have now been through four Auditor General reviews, an RCMP internal audit, an internal investigation, and a year-long investigation by the Ottawa Police Service, which was conducted by thorough and professional investigators as well as an independent forensic auditor. It was found that all moneys were accounted for and that issues, while serious, were administrative in nature rather than criminal. I have not read in any of these reports that I was corrupt or responsible for fraudulent practices.

This committee is about accountability. When I read the draft RCMP audit report in October 2003, I was shocked at the seriousness of the findings. Although not directly responsible, I discussed it with the commissioner, and in spite of all the other successes, it happened under my watch, so I took accountability, stepped down, and resigned. Not satisfied with my leaving, three and a half years now after I retired, certain witnesses to this committee have turned to using vindictive character assassination as their offence.

I would be happy to answer any questions.

• (1600)

**The Chair:** Thank you very much, Mr. Ewanovich.

Mr. Crupi, you have an opening statement.

**Mr. Dominic Crupi:** First, I would like to thank the committee for giving me the opportunity to speak here today.

When I was recruited by the RCMP, I was given a mandate to implement a web-based, industry-outsourced pension administration for members and retirees of the force. The RCMP had been advised by Public Works that the current system was obsolete, increasingly difficult to maintain, and could no longer be supported. In accordance with the mandate, we delivered a state-of-the-art system and administration for the RCMP, which currently has a pensioner satisfaction rate of over 90%.

This was done transparently and under the guidance and direction of the Treasury Board Secretariat, the senior management of the

RCMP, and advisory and operations committees. All briefings, presentations, status reports, and factual matters were delivered to the senior management of the RCMP, Treasury Board, division representatives, advisory committees, Solicitor General staff, and Department of Justice representatives on a regular basis.

Treasury Board submissions were extensively reviewed by RCMP and Treasury Board Secretariat experts on a line-by-line basis, whereby budgetary requirements were demonstrated as where spending was to, and did, take place. Modifications and additions were made at the direction of Treasury Board and senior management of the RCMP.

It must be noted that when I was appointed director, the responsibility for budgets, financial coding inputs, spending authorities, and administration for the group fell under the purview of Chief Superintendent Macaulay. I no longer had individuals under my control who could do that. During this time, we were not permitted direct access to financial records or reports. Not until a pension accounting unit was created and given full access to the financial system in 2003 did this change. At no time was I ever told or asked by Mr. Macaulay or any of his staff to explain an action or a process, nor was I ever advised that we were doing anything wrong. I was not provided with any information or training in any of these areas.

I cooperated fully with the police investigations, the investigation that the allegations evolved into. It is my intention today to try, to the best of my ability, to assist in yours. I welcome the opportunity to explain the role I played in delivering and implementing this system.

Thank you.

**The Chair:** Thank you, Mr. Crupi.

Now we're going to move to questions by the members. As always, I urge members to make their questions short, relevant, and brief. We don't need long preambles.

I also urge the witnesses to keep their answers brief and to the point.

We're going to start with a first round of seven minutes. Mr. Wrzesnewskyj.

**Mr. Borys Wrzesnewskyj:** Thank you, Chair.

Mr. Lewis, at what point did you and the whistle-blower, Denise Revine, bring details of these serious allegations to Conservative members of Parliament, including a member of this committee?

• (1605)

**Mr. Ron Lewis:** To the members of Parliament, it would include my report of 2004. In February I went to the minister, the Auditor General, and the President of the Treasury Board. But directly to the members of this committee and the public safety committee, it would have been on November 6 that my covering report, which has been tabled with you, went to all the MPs on both this committee and the public safety committee.



**Mr. Borys Wrzesnewskij:** Thank you.

Mr. Ewanovich, former commissioner Zaccardelli appointed you as the chief human resources officer, which was the equivalent rank of an assistant commissioner, in part putting you in charge of the human resources at the RCMP. Did Mr. Zaccardelli discuss with you the fact that at that time you were what's called a "found harasser"?

**Mr. Jim Ewanovich:** Yes, as a matter of fact, that was discussed.

What I explained to the commissioner, and what he understood from reading, is that upon greeting a member who I'd known years earlier and hadn't seen for some time, I commented, "You have lost weight", which I meant as a compliment. Subsequently I found out that he had filed a harassment complaint against me. A witness to that particular incident, a regular member, stated that the comment was made neither sarcastically nor as a shot. I offered to apologize to that particular member and then found out that he had been off for three months on stress leave.

**Mr. Borys Wrzesnewskij:** You were a found harasser. The details of that we'll have to hear from other witnesses as well.

Mr. Zaccardelli addressed this with you, and notwithstanding that ethical lapse, you were hired.

Then a year later, an OPP investigation into the RCMP found that officials were receiving benefits from contractors, and there was a recommendation that you be fired.

Did Mr. Zaccardelli at least discuss this one with you?

**Mr. Jim Ewanovich:** I am not aware of any recommendation that I be fired. As a matter of fact, the allegations were that I played golf and that I attended a hockey game. The investigation clearly showed that I did so with private contractors with whom I had no contracts. I had not negotiated any contracts with them, and I had not hired them for the RCMP.

**Mr. Borys Wrzesnewskij:** So Mr. Zaccardelli had not discussed

**Mr. Jim Ewanovich:** Firing me?

**Mr. Borys Wrzesnewskij:** Yes.

**Mr. Jim Ewanovich:** Not at all.

**Mr. Borys Wrzesnewskij:** That there was a recommendation.

**Mr. Jim Ewanovich:** I'm sorry, if I may ask—

**Mr. Borys Wrzesnewskij:** No, I'm the one asking questions, and you're to provide answers.

Mr. Ewanovich, that same OPP investigation obligated you to take ethics training. How did you find that training?

**Mr. Jim Ewanovich:** It was a one-day training course on ethics.

**Mr. Borys Wrzesnewskij:** How did you find it?

**Mr. Jim Ewanovich:** I found it very valuable. It's always useful to find out information on any subject.

**Mr. Borys Wrzesnewskij:** Mr. Ewanovich, you mentioned golf as one of the elements of the OPP investigation. You and several golfing buddies were at St. Andrews-by-the-Sea. Those people included Mr. Gauvin, the comptroller of the OPP, who as a result of the OPP investigation also had to go for ethics training; and Mr. Crupi. You were all playing golf on what was supposed to be a

working weekend on the RCMP's rank-and-file pension fund, except that instead of working for the pension fund, your golfing group was working the fund, benefiting from a scam that stole from it to play golf.

Is there anything you'd like to say to the rank-and-file officers whose pension fund this golfing weekend dipped into?

**Mr. Jim Ewanovich:** Mr. Chair, I'd like to make it very clear that this was not a golfing weekend, nor are they my golfing buddies. There was a golf game, which a number of pension advisory committee members played. It was not a scam that I am aware of, and it certainly didn't take away from any pension funds that I'm aware of.

• (1610)

**Mr. Borys Wrzesnewskij:** So you did not make any inquiries about who was actually paying for those expenses?

**Mr. Jim Ewanovich:** I did not make inquiries, no, because when we arrived there was a complimentary ticket in the room.

**Mr. Borys Wrzesnewskij:** We've seen the e-mail that arranged for those complimentary golf games.

I guess I should move on to Mr. Crupi, because it was your staffer, Mike McDonald, who spelled out in an e-mail the formula on how to defraud the pension fund to cover your golfing party with Mr. Ewanovich, Mr. Gauvin, and others.

You also hired Suzanne Beaudin to circumvent normal hiring procedures. It was referenced in the Auditor General's report that her salary cost taxpayers \$443,000. The Auditor General stated that 49 out of 65 of these hires were family and friends. You also gave \$800,000 out of the pension funds in 2002 and 2003 to central region for file data cleanup and to buy computers and such. As an aside, they had to hire four family and friends, including your step-daughter.

Why was Suzanne Perron, who was in charge in compensation in central region, so intimidated by you?

**Mr. Dominic Crupi:** First of all, when we were looking at hiring individuals, my manager came to me and asked that.... We were down a road in terms of data cleanup, and it hadn't been done in the timeframe we expected. We were looking at hiring CR-4s, entry-level people. I advised him to go to staffing, which he did. Staffing gave him a process to follow, which basically was a casual process where you could hire individuals off the street without going through a formal process, but they had to have certain qualifications. They had no standing as employees in government. In other words, they could not apply for jobs, get jobs, or stay on after a certain period of time.

One of my managers at that time asked me if family could apply. I said I did not know. I had my manager ask staffing if family could apply. Staffing advised him that it would be discriminatory if family could not apply for these jobs. So as far as I'm concerned, we followed the process as described to us by staffing.

Suzanne Beaudin was hired as an HR strategist, and part of that duty was to define what the new jobs were going to be.

I should say that HR strategy was imposed upon us by Treasury Board. Our original TB submission draft basically had very little HR strategy. Treasury Board asked us to improve it and expand on it. They were worried about the employees who were affected. So they asked us to put in a robust HR strategy, which we did.

That strategy included what new systems we would require; how the individuals would be trained; what the new jobs would look like in transition, current, and future; and what tools would be required. That was Ms. Beaudin's job. Her job was also to assist our managers in getting the people who had those qualifications hired. So that's why Ms. Beaudin was hired. It wasn't to do staffing or classification, which is under the purview of the RCMP staffing and classification.

**The Chair:** Thank you very much, Mr. Wrzesnewskyj.

Thank you, Mr. Crupi.

*Monsieur Laforest, sept minutes, s'il vous plaît.*

[Translation]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Thank you, Mr. Chairman.

My first question is for Mr. Lewis. During our last meeting, you stated that you had met with commissioner Zaccardelli in May 2003 with regard to the pension fund, the nepotism issues and all of the outdated practises that you had encountered within RCMP management.

You also said — and we have received the documents — that commissioner Zaccardelli had invited you to somehow relay this request to Division A, which was under Ms. Gessie Clément's command, and whom you asked to undertake a criminal investigation, which began in the days following.

Did you, at that time, table with Mr. Zaccardelli and Ms. Clément these documents relating to all of your allegations?

• (1615)

[English]

**Mr. Ron Lewis:** I did not, because there was a previous request to have allegations of harassment of Mr. Ewanovich investigated, and the commissioner failed to do that. In fact, I'll categorize it as a lie, because when I came back months later he had totally changed his position, even though we had discussed the investigators who should do it—the rank level, and everything. He delayed it for six months. When I came back to see him he said, "I don't remember that." So when the members who came forward—

[Translation]

**Mr. Jean-Yves Laforest:** Did you or Mr. Macaulay provide documents later, at some other time? Did you provide documents setting out—

[English]

**Mr. Ron Lewis:** Mr. Zaccardelli pounded on the desk and said, "Why are these officers not coming to me?" I said, "The reason for that is that you treat them poorly when they come forward. As a result, I will not give you documents until you appoint an officer. They will all come forward at once, not individually, because as they come forward they get punished. And Fraser Macaulay is a good example."

So the same thing happened. I had learned my lesson two years earlier, so when I went to him in May 2003, I said I would provide the documents when a proper investigation was official. It was official, because he told me. I have it in two documents to him that I went to Gessie Clément, the commanding officer of A Division, and had an investigation started. But I didn't find out until three weeks later that Mr. Zaccardelli had stopped the investigation. I found out on Saturday the exact dates. He stopped on the 25th of...

So the whole problem was that nobody would come forward, and I couldn't identify anybody until there was an official investigation going on, but he kept stopping them or would not have them go forward.

[Translation]

**Mr. Jean-Yves Laforest:** I will stop you there.

Mr. Zaccardelli, could you explain to us why, after having recommended to Mr. Lewis that he call upon Division A to carry out an investigation, you then closed this investigation to have it replaced by an internal audit? I find this somewhat inconsistent. You tell Mr. Lewis to go and see the commanding officer of Division A in order for her to launch an investigation, but once the investigation is under way, you cancel it. This, to my mind, shows a lack of transparency.

[English]

**Mr. Giuliano Zaccardelli:** Mr. Chairman, I'll pick up on the point of Mr. Laforest when he says it doesn't make sense. He's absolutely right, it doesn't make sense, because that is not what I did whatsoever.

Mr. Lewis came to me. I met with him twice to discuss some concerns that he had. During the first discussion that I had with him, I was having difficulty actually understanding what he was talking about. I actually went to the NEC, which is the national executive committee, of the divisional representative system. I said, "I'm trying to understand what Mr. Lewis is trying to complain about here." They said to me, "We have trouble understanding what he's trying to complain about on this also."

In any event, I met with Mr. Lewis a second time. We went over the same issues. I tried to find out and identify exactly what he was talking about. I was able to discern from the discussion and from his complaints that he was worried about nepotism and he was worried about contract splitting. He was alleging that some charges were made against the administration of the pension fund that were inappropriate.

At a certain point during that meeting I said, “Ron, I think I have an understanding of what you are trying to tell me. I’m going to get up and I’m to go to—”

[*Translation*]

**Mr. Jean-Yves Laforest:** Excuse me, Mr. Zaccardelli, but that only answers part of my question.

[*English*]

**Mr. Giuliano Zaccardelli:** Mr. Chairman, please, I’m entitled to answer the question.

**The Chair:** I’m going to allow Mr. Zaccardelli to continue.

[*Translation*]

**Mr. Jean-Yves Laforest:** We only have seven minutes, Mr. Chairman.

[*English*]

**The Chair:** I will add it to the time. I am going to allow him to continue.

Briefly, Mr. Zaccardelli, if you could finish your thought, then we’ll go on to the next question.

**Mr. Giuliano Zaccardelli:** I went to my desk and I wrote down and summarized what I believed were Mr. Lewis’s allegations and concerns. I showed it to him and I asked him, “Do you agree with this?” He said, “Yes, I agree. Those are my concerns.”

I then called in my chief of audit and directed him to start the investigation immediately. I never ever instructed or told Mr. Lewis to go to A Division to ask for a criminal investigation. That would be ridiculous because I’d already decided, as the senior manager of the force who had received the complaint, on a course of action. My course of action was the audit. There were never any instructions to go anywhere and to start a criminal investigation.

• (1620)

[*Translation*]

**Mr. Jean-Yves Laforest:** Mr. Chairman, I will continue.

I would remind you, Mr. Zaccardelli, that you have just stated that that is not what you said to Mr. Lewis. We therefore have here two individuals who have sworn here today to tell the truth, but whose versions of the facts diverge. I would also remind you that you are starting off with two strikes against you, with the statements you made last fall in the context of the Maher Arar affair.

I wonder if Mr. Lewis might perhaps provide some details in order to outline exactly what Mr. Zaccardelli told him to do when he, for the first time, made him aware of this problem.

[*English*]

**Mr. Ron Lewis:** Mr. Chair, I have two documents in front of me that I had already tabled the last time I appeared, which I believe was earlier this month.

One is a document dated June 5, 2003, signed by me, directed to the commanding officer of A Division. That was seven days after I met Mr. Zaccardelli for the second time, and it is a very complicated matter. I understand why he would not understand it fully the first time, but it was clearly stated the second time.

In this memo, which I delivered to the commanding officer, the fifth paragraph says:

The Commissioner instructed me to contact you to investigate the matter.

In the first paragraph I explained:

I met with the Commissioner on 28 MAY 2003. We discussed the complaints I was receiving from multiple senior officers within the HR Directorate. Many of these complaints related to incidents of harassment, nepotism, abuse of authority and misappropriation of funds.

In addition to this matter, he split it in two parts. He said to go see Gessie—now, that was Gessie Clément, who was the commanding officer of A Division—and start a criminal investigation. I did that through this memo.

Three days short of a month later, after talking to the officers who were conducting the investigation, it struck me that he hadn’t called me back yet, because on the same date, May 28, he said, “On the other issues, I’ll get back to you within one week”, because they were internal matters such as nepotism, abuse of authority, and harassment that were allegations against Mr. Ewanovich.

On June 25, 2003, at 10:20 p.m., after talking to the investigator several hours earlier, I wrote another e-mail to Mr. Zaccardelli, and it says:

On 28 MAY 03, you also indicated that you would contact me regarding your decision relating to the other allegations such as abuse of authority and harassment. I have been AOD [which means absent on duty] much of the period since our meeting and I understand you are as well. I will be taking annual leave soon and would appreciate an update on your intended course of action. This will enable me to provide further details to the appropriate parties.

Earlier I mentioned in the e-mail that as a result of our meeting on May 28 he had directed that I bring the issue of pension outsourcing to the attention of the CO of A Division, and I go on to say that I forwarded it to her on June 5 and in subsequent meetings with the criminal operations officer and Inspector Burnside, who was conducting the investigation.

He called me the next morning, June 26, and he said, “Oh yes, those other allegations, I’m going to give them to our ethics officer and Assistant Commissioner John Spice.” I said, “That’s great, because he’ll get to the bottom of it.” He at no time ever indicated that I shouldn’t have gone to the commanding officer of A Division. In fact, I put in an official document, put in another official document directly to him, spoke to him on the phone. He never said, “I never told you to do that.”

I have another report that was also tabled on January 5, 2004, after the investigation was stopped. It covers that as well. It can be reviewed. That’s January 5, 2004.

And if he has the notes he says, I’d like to see those notes, because I have mine with me and they’re already tabled. I can table them again if you wish.

**The Chair:** Thank you very much, Mr. Lewis.

*Merci beaucoup*, Monsieur Laforest.

Mr. Poilievre, for seven minutes.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** One of the most troubling aspects in this matter is the contracting that was carried out through the NCPC, and we have here the director, Mr. Dominic Crupi. The Auditor General has signalled that many of the contracts were given out with ultimately little or no value in return for the money that was paid. These moneys came from the pension fund and in many cases paid for matters that were not related to pension administration.

I have here in my possession the KPMG audit on Consulting and Audit Canada, relating to 45 specific contracts. Many of them involved your organization, Mr. Crupi. This document has until now been largely blocked out through its ATI, but here it is in full, and I'll table it later on.

I'd like to start by asking you who approved using Consulting and Audit Canada services instead of RCMP or PWGSC contracting services? Was that you, Mr. Crupi?

•(1625)

**Mr. Dominic Crupi:** That was approved by our senior management. I brought it to their attention.

**Mr. Pierre Poilievre:** Who?

**Mr. Dominic Crupi:** It would have been the advisory committee, the pension advisory committee. I was told by our procurement people that they could not handle our work anymore—there was too much—and to go to Public Works. I went to Public Works, who told me that they could not get the work done within six to nine months.

**Mr. Pierre Poilievre:** But you wanted to go through Consulting and Audit Canada, is that right?

**Mr. Dominic Crupi:** No.

**Mr. Pierre Poilievre:** You didn't?

**Mr. Dominic Crupi:** Here's what I was given. One of our contractors from Consulting and Audit Canada told me that Consulting and Audit Canada does this kind of work. My person approached them to see if they did that kind of work. They confirmed that they did, and they confirmed that many departments do that work and use them. I approached our procurement people and asked them if it was okay—

**Mr. Pierre Poilievre:** I don't need to have the entire history of it.

**Mr. Dominic Crupi:** Our procurement people told us it was okay to use Consulting and Audit Canada.

**Mr. Pierre Poilievre:** Somebody was obviously in favour of doing it that way, and I presume that somebody was you.

Michael Onischuk was awarded two contracts, totalling \$227,000, to write statements of work for other contracts. In other words, he was contracted to write other contracts. In order to give context to his work, can you please tell me who Anthony Koziol is and what his role was in your organization.

**Mr. Dominic Crupi:** Anthony Koziol was hired to handle our work plan and to ensure that the contracting resourcing was in place, so that we could move forward on the project based on—

**Mr. Pierre Poilievre:** So he was hired to handle the work plan. He wrote an e-mail to Mr. Brazeau, who was the head of Consulting and Audit Canada in 2002. It reads as follows: "Hi Frank: Attached is a SOW for a senior procurement specialist. ... The preferred

organization is Abotech; the preferred contractor is Michael Onischuk. The expected per diem is \$550. ... I have written the SOW after consultation with Dominic Crupi."

According to this e-mail, you assisted in writing the statement of work and were copied on an e-mail that specifically stated that Abotech and Onischuk were the preferred contract winners. Is that correct?

**Mr. Dominic Crupi:** Mr. Koziol told me that he was writing the statement of work. Those comments—preferred, preferred, preferred—were at the direct request of Mr. Brazeau, who was a contracting expert with CAC. He asked us to use those words.

**Mr. Pierre Poilievre:** I know, but that's not my question. It indicates here that you played a part in selecting Mr. Onischuk and Abotech as the winners of the contracting.

**Mr. Dominic Crupi:** Mr. Koziol told me he was going through with the contract. He wrote the statements of work. Consulting and Audit Canada asked us to tell them if there was someone there who had done the job. That someone would then be included in the procurement process, so that they wouldn't be missed if a bunch of people were being asked.

**Mr. Pierre Poilievre:** All right.

The term "preferred organization" is used here. The term "preferred contractor" is also used in that e-mail. This e-mail was copied to you, so if it was inaccurate, I'm sure you would have corrected it.

**Mr. Dominic Crupi:** I took Mr. Koziol's word that the word "preferred" was a normal—

**Mr. Pierre Poilievre:** I haven't asked a question, so you can't answer it yet.

**Mr. Dominic Crupi:** Sorry.

**Mr. Pierre Poilievre:** As we can discern here, the winner was already decided before there was a competition. What bothers me is all these middlemen. This is what the Auditor General touched on, and this is what the KPMG audit touched on.

Your organization directed a contract to Consulting and Audit Canada. After taking a 15% cut, Consulting and Audit Canada directed the same contract to Abotech. After it took its cut, Abotech passed the contract to Mr. Onischuk, who then got paid to write requirements for other contracts. Why didn't you just give the contract directly to Mr. Onischuk instead of paying middleman fees to Abotech and Consulting and Audit Canada?

•(1630)

**Mr. Dominic Crupi:** We followed the process as it was described to us by Consulting and Audit Canada. I hired Mr. Koziol to give me advice on how that process was to work. I am not a procurement expert, and I never was a procurement expert.

**Mr. Pierre Poilievre:** So there's another layer.

**Mr. Dominic Crupi:** Mr. Koziol was responsible for the work plan. Again, use of the word "preferred" came at the request of Mr. Brazeau. My understanding was that this was to ensure that this person was included in any contracting process when it went out for bids. That was my understanding of the word, sir.

**Mr. Pierre Poilievre:** All right. Thank you for that.

What happened here was that you already decided who was going to get the contract, but you hired three different levels of contractors to tell you how to get that contract to the final contractor. In the process, you spent a heck of a lot of the pension fund's money.

Were you aware that Consulting and Audit Canada's Frank Brazeau arranged the contract to be paid to Abotech's David Smith, out of the pension fund? Were you aware that Mr. Smith is actually the cousin of Mr. Brazeau?

**Mr. Dominic Crupi:** No, sir.

**Mr. Pierre Poilievre:** You were not aware of that?

**Mr. Dominic Crupi:** No, sir.

**Mr. Pierre Poilievre:** It didn't occur to you to ask questions when Mr. Brazeau was paying Mr. Smith to pass a contract on to a third person to ultimately do the work you had designated in the first place.

**Mr. Dominic Crupi:** I had no knowledge of their being related at all.

**Mr. Pierre Poilievre:** Okay. I can't believe that you didn't find it spectacular that you would have to give a contract to Mr. Koziol to give a contract to Consulting and Audit Canada to give a contract to Abotech, who would then give the same contract on to Mr. Onischuk, who would then do the work.

**Mr. Dominic Crupi:** Mr. Koziol was the person responsible for the contracting. He was overworked and he asked for another individual to help him do the work. That's how Mr. Onischuk was brought forward.

**Mr. Pierre Poilievre:** Well, he certainly had plenty of help.

**The Chair:** Thank you very much, Mr. Poilievre; and thank you, Mr. Crupi.

Mr. Christopherson, for seven minutes.

**Mr. David Christopherson (Hamilton Centre, NDP):** Thank you very much, Chair, and thank you all for coming today. We appreciate it.

I want to begin, Mr. Chair, by acknowledging that at the end of our meeting we'll be dealing with my motion to have this committee recommend to the minister that we go to a full public inquiry, that the shortened version, this quickie look, is not going to be sufficient.

I open with that to point out that the reason for that, in part—and I'll get into my arguments later—is to make sure that everybody here has a fair chance at fair representation. We are not a courtroom, and we're now getting to the level of detail at this meeting and subsequent meetings that we will continue to hold until such time as we get a full public inquiry, but this is not the place. I think the evidence is there, just from what we've had so far. So I hope members will keep that in mind when we deal with the motion at the end of this meeting.

My first question will be to point out that we have two main issues in front of us, and we keep going back and forth with the two. It has to be difficult for anybody watching to follow where we are, because part of it is what happened, was there wrongdoing, what are the details of that, and getting around to determining who perhaps conducted themselves in an inappropriate and unacceptable way. The second one is the allegation that there has been an attempted cover-

up, an attempt to quash this, to keep it from seeing the light of day. Those are two very different issues. So I have questions on one stream, and then questions down the other stream.

In the first round, I'd like to deal with the issue of the alleged cover-up, and one of the questions that comes to my mind is to Mr. Zaccardelli.

There are at least four people I can identify—maybe more, sir—for whom it looks strangely and questionably coincidental that they were reassigned and taken off the investigation.

The four people I can identify are Denise Revine, whose position was structurally eliminated; Chief Superintendent Fraser Macaulay, who was transferred to the Department of National Defence; Assistant Commissioner David Gork, who was seconded to INTERPOL in France; and Staff Sergeant Mike Frizzell, who was removed from the investigation—and in fact, his removal is part of our discussions here.—

Mr. Zaccardelli, are they coincidences? Is that merely a coincidence? It doesn't look good. I'd like to hear your thoughts on that.

The other thing is that your previous deputy commissioner, Barbara George, said when she was in front of us, regarding Staff Superintendent Macaulay's transfer, "It was felt at that time by the then commissioner"—that would be you, sir—"that Chief Superintendent Macaulay would benefit from a secondment. He was actually given a short secondment with the military."

You know I'm going to ask Mr. Macaulay. So I will ask you to comment on it overall. Is this coincidence? Is that what happened and you'd like us to believe that? Secondly, I'd like the specifics around Chief Superintendent Macaulay.

• (1635)

**Mr. Giuliano Zaccardelli:** Mr. Chairman, I will try to answer as quickly as I can, but these are not easy issues.

I've been given four names. I can tell you right off the bat that I know Ms. Denise Revine, but I had nothing to do with her. I never interacted with her. I was not involved in any discussions about what happened in terms of the reorganization. I gave no instructions whatsoever. I only learned recently from this committee that she's working at home.

In terms of Mr. Frizzell, I wouldn't know him if he walked in the room. That's not being disrespectful; I simply wouldn't know him. But you have clear evidence in front of this committee that was given to you by Assistant Commissioner Dave Gork, who testified before this committee that he was asked by Inspector Roy, from the Ottawa Police Service, to remove him for certain good cause from that investigation. Again, I was never consulted. I had nothing to do with that particular point.

I want to get to the issue of Chief Superintendent Fraser Macaulay. After I had discussed the matter with Mr. Lewis, I decided what my course of action on this, based on the information I had, would be, and it was to have the audit. Shortly after the audit had been initiated, Barbara George came to me and said, "Chief Superintendent Fraser Macaulay appears to have some problems about what is taking place relative to the pension fund. You should talk to him." I said, "Fine, please bring him in."

She brought Fraser Macaulay into my office. There were the three of us there. These, Mr. Murphy, are my exact words.

I said, "Fraser, I hear that you have some concerns about what happened with the pension fund." He said, "Yes, Commissioner, I've had a lot of concerns about how this has been run and what's been going on." I said, "Fraser, how long have you known about this?" He said to me, "Almost a year and a half I've known about these concerns." I said, "Fraser, who have you told about his matter?" And his answer was, "Commissioner, I haven't told anybody." I said, "Fraser, why haven't you told anybody?" He said, "Because Jim Ewanovich is my boss and I'm afraid if I told anybody it would affect my career." I was clearly very disappointed and hurt by his statement. I said, "Fraser, I want you to come back to me here in a little while and send me a note and tell me what your concerns are." He left the office.

I had Barb George in my office. I said to Barb George, "Barb, Fraser has made a serious error in judgment in this case. He's a good young officer. I've known him since he was a very young member. I believe in him. I want him to recover from this and I want him to move ahead. I need you to get him out of this environment that he's in, and I want you to find a good job for him. Find a good job. This is a man I want to save, because I believe in him."

She left and she came back to me a few days later. A few days later she came back and said, "Commissioner, I think I have a recommendation on what we should do with Fraser Macaulay." I said, "What is that?" She replied, "There is a secondment that's been requested by DND. It's a very good job. It's an important job. DND want this. Fraser has the expertise to do this work." I said, "Great. I want him to move there because I want him to learn from this experience."

Before he left, I had Fraser in my office and I said, "Fraser, I know you're not happy with this, but I believe in you. You're a good member. I want you to recover from this mistake. You go down to DND, show them what we're made of, and you'll come back and you'll have a very good job."

Now, I know this notion has been thrown around about a punishment transfer. There are no punishment transfers in the RCMP.

When he came back—

**Voices:** Oh, oh!

**Mr. Giuliano Zaccardelli:** I'm glad to see we have a lively audience, but—

**Mr. David Christopherson:** Chair, that's not allowable.

**Mr. Giuliano Zaccardelli:** I'm glad to see we have a lively audience.

I have never, ever transferred anyone or directed anybody to ever be transferred for a punishment purpose.

When Fraser Macaulay—

**Mr. David Christopherson:** Okay, Mr. Zaccardelli, I'm going to ask—

**Mr. Giuliano Zaccardelli:** I have—

**Mr. David Christopherson:** No, I know, sir. We're both competing for the clock.

**Mr. Giuliano Zaccardelli:** No, but let me finish. Let me finish my answer.

**Mr. David Christopherson:** No.

Chair, I'm asking for my rights.

**The Chair:** No, I think you've gone on long enough, Mr. Zaccardelli.

You have one final question, Mr. Christopherson.

And before you do that, I'm going to say to anybody in the audience that we don't need any gratuitous comments or anything at all. This is a parliamentary committee.

Mr. Christopherson.

**Mr. David Christopherson:** Thank you for both rulings, Chair.

Chief Superintendent Macaulay, your response to what we've just heard from Mr. Zaccardelli, please.

**C/Supt Fraser Macaulay:** Well, I can tell you that I knew nothing of any of these matters until May 28, when I received a call from Jim Ewanovich after Ron Lewis had been in his office with Assistant Commissioner Spice. I was in P.E.I., and I got a phone call from Mr. Ewanovich. He was all upset that I had "ratted him out" to Ron Lewis about the hiring of his daughter. Subsequent to five minutes on the phone with him, where I told him I hadn't spoken to Ron and I didn't even know what he was talking about, I met Ron at a meeting in Niagara Falls around the reserve program, which was referred to earlier.

After that, between June 3 and June 6, I met with Denise Revine, who started to tell me what was going on based on the A-base review. At that point I spoke to Assistant Commissioner Spice, who is our ethics adviser. Mr. Spice had received a complaint from Suzanne Perron, who was referred to here earlier, about a threat to her made by Mr. Crupi. I spoke with her. She was very upset. She's a 28-year public servant in the Royal Canadian Mounted Police, and she had been threatened with what she felt was her job. I spoke to her for a few minutes, and then I went to Mr. Spice. I advised John that Denise had started to find a lot of things going on in the NCPC area, N2020, and to give me a little time, and we would keep digging and find out what we could about it.

Subsequent to that meeting there was a senior management meeting, which is the senior executives of the mounted police. At that meeting, John disclosed to both Deputy Commissioner Barb George and then Assistant Commissioner Vern White about my knowledge. The reason that came up is that she kept.... So she came to see me and told me about a little bird in A Division who had told her that there was a complaint or something laid in A Division. Unbeknownst to me, Mr. Lewis had laid the complaint in A Division.

On June 17, I met with Commissioner Zaccardelli—at Barb George's request, not mine. I was still trying to dig. I left him with three or four pages of documents, which we left with you at our previous meeting. At that meeting, and subsequent to that meeting.... That is the reason I was removed. There is absolutely no other reason. Deputy George made it clear to me that it was Commissioner Zaccardelli's decision. She told me it was for performance on HRMIS in the first place, and I have notes throughout the next three or four months where it continues to change.

The bottom line is that it was a very clear message to the employees that you don't put your hand up. Did we have the conversation about why other people weren't coming forward? Yes, we did. And it was made very clear to him that nobody was happy and that they didn't trust that anyone was going to do anything.

I'm back in the organization. If I was so afraid for my career, why would I be here today? Why would I have done what I've done in the last three and a half years? Why would I have continued along, hand in glove with Denise Revine, with a commitment that I made to her when she found this about my organization?

I've heard it many times. I've heard it many times from Mr. Zaccardelli. He let us down. He came in here...and he talks the values and he means them—most times. This is a leader who got to the top of this organization. He has made a mistake, and now we're back into the same stuff. We have the notes. We have the paper. We know what's going on here.

I was removed because I came forward. That is all.

•(1640)

**The Chair:** Thank you very much, Mr. Macaulay.

Thank you, Mr. Christopherson.

Mr. Wrzesnewskyj, seven minutes.

**Mr. Borys Wrzesnewskyj:** Mr. Crupi, at the end of the last session, you went into the various details of why people were hired. But the fact is that you were relieved of your position because of rampant nepotism.

I asked a question about why Suzanne Perron was so intimidated by you. It was in her department that your stepdaughter was hired. You provided \$800,000, two years in a row, to her department. In 2003, I understand you told Mrs. Perron, and I quote, "If people don't do as I say, I get rid of them. And if not, I close the office."

Mr. Crupi, where do you work now?

**Mr. Dominic Crupi:** I work with National Defence. I'm a casual employee with National Defence on a short-term contract.

•(1645)

**Mr. Borys Wrzesnewskyj:** Do you have any contract with the Canadian Security Establishment?

**Mr. Dominic Crupi:** They would be the arm of National Defence.

**Mr. Borys Wrzesnewskyj:** So it's actually with the Canadian Security Establishment that you're working at this time?

**Mr. Dominic Crupi:** Correct.

**Mr. Borys Wrzesnewskyj:** The Ottawa Police investigation couldn't even list all of your violations in a 40-page summary. How could you get a reference, and who provided you with a reference to go and work at the Canadian Security Establishment?

**Mr. Dominic Crupi:** I had references from previous supervisors.

**Mr. Borys Wrzesnewskyj:** Can we have the names? Was Mr. Zaccardelli one of those references?

**Mr. Dominic Crupi:** No, sir.

**Mr. Borys Wrzesnewskyj:** At a later date, perhaps you could table who those references were.

Now, at the present time you work at the super-secret Canadian Security Establishment. It requires a top security clearance. How have you maintained your security clearance? You left under a cloud; you were forced to leave the RCMP. How have you managed to maintain your top security clearance?

**Mr. Dominic Crupi:** First of all, I wasn't forced to leave, sir. I resigned on my own. I was, during this period of time, offered three jobs with other organizations. All disappeared between a Friday and a Monday, to show you the malicious nature of some of the individuals who would be putting out allegations. I knew at the time there was no way I could continue working in the RCMP. I was being continually attacked and therefore I decided to resign.

Health reasons too—this would never go away. People kept at it and at it.

So it was health reasons and the fact that I knew I could not continue working in the federal government.

**Mr. Borys Wrzesnewskyj:** Thank you.

Mr. Zaccardelli, you're familiar with the Ottawa Police investigation. I mentioned there was a 40-page summary of allegations against Mr. Crupi. You had him leave. How was he allowed to leave with top security clearance?

**Mr. Giuliano Zaccardelli:** When I learned, as a result of the extensive audit of the mismanagement in this area, of the nepotism, the contract splitting, and the inappropriate charges against the administration fund, as I've indicated, I immediately acted upon that, as I said in that statement. I determined that two people should leave, the two key people who were responsible. Mr. Crupi was one of them. I gave that direction, and that's what happened.

**Mr. Borys Wrzesnewskyj:** So you have no idea how he was able to maintain his top security clearance?

**Mr. Giuliano Zaccardelli:** I do not get personally involved in reviewing people's security clearances, not Mr. Crupi's.

**Mr. Borys Wrzesnewskyj:** Mr. Lewis, you wanted to jump in. I noticed you putting your hand up.

**Mr. Ron Lewis:** Thank you.

Mr. Zaccardelli's opening statement in the statement he just made is not, I find, quite correct. I was personally involved in the removal of Mr. Ewanovich and Mr. Crupi, and here's how it happened.

After he cancelled the first investigation, the criminal investigation that I referred to earlier, Mr. Zaccardelli told me on November 26 that if the audit report showed criminal or internal violations, he would go into the appropriate forum, which would have been an internal investigation or a criminal investigation. When the audit was completed in October 2003, there was no documented evidence by the management. In fact, he indicated that he immediately initiated an internal investigation. I can tell you right now that there was no such document. I was going to make another formal complaint because I was aware of the allegations, but the problem I had was that under the RCMP Act, the only person I could go to was Assistant Commissioner Gessie Clément, CO of A Division. She was now implicated in the audit. She was subsequently removed from her position, so I had no way to go formally. I met with now Deputy Commissioner George, and I asked what was going to happen. She said nothing was going to happen. I asked why not, and she said she'd been in contact with Deputy Commissioner Gauvin, her civilian comptroller, and he'd told her that a couple of hundred thousand dollars had been misspent, that they were going to give them a slap on the hand and move on.

I represent senior officers. I'm their spokesperson. I said, "Pass this message on to the commissioner". I also saw another deputy commissioner at that same time and passed it on through him that if there was no discipline, if there was no investigation, I would go public on behalf of the members I was representing.

She called me back in the office in early November and said Crupi and Ewanovich were gone. He described how they were removed.

Then I went back in on November 23 to Barb George, and I asked about the investigation. I was told, "There's not going to be any investigation." I said, "Pass this on to the commissioner. If there is no investigation, it's going public." She called me back into her office on November 24. She said, "I sat up last night with my husband, Tom", who was also a member and just retired from CSIS. She said, "If he doesn't allow an investigation, because this is the only way we can get it done, through the act, then I will resign." She said, "Okay, I had a meeting with him last night. Submit your reports."

I submitted my report on January 5, 2004. Nothing happened. On February 16, 2004, my report, which I provided to the highest level of the RCMP, got leaked. It was photostatted and being passed around everywhere. I then went to the minister—Anne McLellan at the time—I went to the OAG, and I went to the President of the Treasury Board. On Saturday I received, finally, the circumstances of where that went, and it worked its way up to our deputy commissioner, and five days later, in March, the Ottawa city police were contacted.

At no time was an internal investigation ordered. At no time was a criminal investigation ordered, contrary to what Mr. Zaccardelli has said here. And when the internal investigation was finally ordered and the determination that we missed our year for charging members

of the RCMP, it was 41 months after my first criminal investigation complaint.

Now, if that's immediate, then there is a whole new term for "immediate"—41 months later. Those are the events we have documentation on.

• (1650)

**The Chair:** Thank you, Mr. Lewis.

I'm going to move on to Mr. Fitzpatrick, for seven minutes.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Zaccardelli, you were appointed commissioner in 1997. Is that the correct date?

**Mr. Giuliano Zaccardelli:** It was September 2000, sir.

**Mr. Brian Fitzpatrick:** Okay.

The government of the day would have been the Chrétien administration, Prime Minister Chrétien.

**Mr. Giuliano Zaccardelli:** That's right.

**Mr. Brian Fitzpatrick:** Who would have notified you from the government side that you were appointed the commissioner? Did you get a phone call from the Prime Minister or a cabinet minister notifying you of this decision?

**Mr. Giuliano Zaccardelli:** I got a call from the Prime Minister and the Clerk of the Privy Council.

**Mr. Brian Fitzpatrick:** Okay, so that was a very important day in your life, being appointed to this position.

**Mr. Giuliano Zaccardelli:** It was 9:05 on a Tuesday evening, sir.

**Mr. Brian Fitzpatrick:** Right, okay. I just want to deal with some other things out there. Maybe we should clear the air on them.

At any time, was there anybody in Prime Minister Chrétien's cabinet who was related to you?

**Mr. Giuliano Zaccardelli:** Not that I'm aware of, sir.

**Mr. Brian Fitzpatrick:** Okay. Through marriage, possibly? No?

**Mr. Giuliano Zaccardelli:** No.

**Mr. Brian Fitzpatrick:** Okay.

**Mr. Giuliano Zaccardelli:** I know there are a few Italians in the House, but they're not related to me, sir.

**Mr. Brian Fitzpatrick:** Okay. Well, I'm Irish, I can identify with that.

Mr. Ewanovich said that when he saw the audit he was shocked. A lot of people are using that terminology—they were shocked. So I take it, when somebody says they're shocked, the information in there is rather disturbing. I would think, sir, when Mr. Lewis's and Mr. Macaulay's and Madame Revine's reports crossed your desk and you saw audits like this audit, or this KPMG audit, you would have been shocked.

**Mr. Giuliano Zaccardelli:** Sir, I would just like to clarify one point. The only audit that I saw was the audit that I ordered, and that audit was the internal audit that I commenced based on information I received from—

**Mr. Brian Fitzpatrick:** You mean you never saw this KPMG file?

**Mr. Giuliano Zaccardelli:** No, I never did.



**Mr. Brian Fitzpatrick:** You've got to be kidding. Look at the thickness of this thing and the seriousness of the accusations there.

**Mr. Giuliano Zaccardelli:** Well, sir, I'm telling you that when I received information, I acted upon it. The first information I received was from Mr. Lewis, and I actioned it through an audit, an audit that was.... If you look at the record, Mr. Macaulay and Ms. Revine supported that audit.

**Mr. Brian Fitzpatrick:** That's fine. I just find it astounding that the captain of the ship would not know about an audit as serious as this thing. I just find that astounding. Maybe it was a late trip or something and you were asleep at the switch.

But I'm going to leave this matter alone. I have some other concerns here.

**Mr. Giuliano Zaccardelli:** Well, I would like to respond to that, because in a 25,000-person organization, the head, the commissioner, does not read every document.

**Mr. Brian Fitzpatrick:** This is pretty serious—

**Mr. Giuliano Zaccardelli:** I have staff who look after that. And the serious issues do come to me. When this serious issue came to me, I acted immediately.

• (1655)

**Mr. Brian Fitzpatrick:** All right.

In a good system, sir—a good system—people aren't dominated by fear. Good people rise within the system, they're rewarded. The indictments that I see here...and I don't care which way anybody spins this; we have some good people here who have moved on. Staff Sergeant Frizzell, Madame Revine, Mr. Macaulay—there are a fair number of these people who, for whatever reason, had their position eliminated or were transferred and so on. But other people who are implicated in misappropriation of funds and abuse of their position and so on, they stay on, and in some cases they even get promoted.

Again, I get back to the point that you're captain of the ship. I mean, the captain of the ship is responsible for his crew, nobody else is. So who's to blame for this sort of scenario, where good people seem to be pushed out of the system and punished, and people who should be disciplined and dealt with get promoted or stay on the ship?

**Mr. Giuliano Zaccardelli:** Well, you're absolutely right, I was the captain of the ship for almost six and a half years. When information came to me, I acted upon it immediately. I received the information. In my judgment, I did an audit.

The day that I received the audit report, sir, I acted upon it by removing Mr. Ewanovich and Mr. Crupi. That is decisive action by the captain of the ship.

And I would like to add one more thing. Mr. Fraser Macaulay was given a good job, and he came back to a good job.

**Mr. Brian Fitzpatrick:** We've heard that, sir.

**Mr. Giuliano Zaccardelli:** He came back to a very good job.

**Mr. Brian Fitzpatrick:** We've heard that.

I have a very important question I want to ask you. I'm assuming that when you did get this audit that you commissioned...well, you

said you didn't really know what was going on till then, and I presume you were shocked.

Now, you have somebody you have to report to, and that's the Minister of National Security. Did you have any meetings with that minister at that period of time? Because everybody was in a state of shock then, to apprise that minister of the seriousness of this situation so she'd be briefed on it—I assume you would have done that.

**Mr. Giuliano Zaccardelli:** Under the RCMP Act, I am responsible for the management of all aspects of the RCMP. When I received the audit, I read it. I was very disappointed, and I was shocked. I immediately identified the two principal people who I believed—

**Mr. Brian Fitzpatrick:** Did you talk to the minister? That's what I'm asking.

**Mr. Giuliano Zaccardelli:** Well, I'm trying to answer your question, so please allow me to answer the question.

**Mr. Brian Fitzpatrick:** Yes or no?

**Mr. Giuliano Zaccardelli:** I acted immediately. I discharged my duty.

Subsequent to that, I did have discussions, because this matter was in the public domain, don't forget, and every time it came up, whenever there was a request from the minister—

**Mr. Brian Fitzpatrick:** Did you or didn't you? Yes or no.

**Mr. Giuliano Zaccardelli:** I acted immediately. I discharged my duty. Subsequent to that, I did have discussions, but don't forget that this matter was in the public domain. And every time it came up whenever there was a request—

**Mr. Brian Fitzpatrick:** Did you or didn't you?

**Mr. Giuliano Zaccardelli:** Not on that specific case, because as the commissioner, I was responsible for the matter and I dealt with it.

**Mr. Brian Fitzpatrick:** Did they contact you? I would think they would be quite concerned about this sort of report.

**Mr. Giuliano Zaccardelli:** Every time it came up in the media, there would be a request, "This is an issue. What have you done?" I would explain that we were concerned about the issues, I did an audit, and I acted upon it. We then went to a criminal investigation, had the result of the criminal investigation—

**Mr. Brian Fitzpatrick:** So you would have had some personal dialogue with the minister and her staff on this problem?

**Mr. Giuliano Zaccardelli:** Yes, from time to time.

**Mr. Brian Fitzpatrick:** And that would have been Minister McLellan?

**Mr. Giuliano Zaccardelli:** I don't recall specific discussions with her, but I know there would have been briefings that would have gone up to the minister.

**Mr. Brian Fitzpatrick:** What about the President of the Treasury Board? Were there any discussions with him?

**Mr. Giuliano Zaccardelli:** No, never with him. It wouldn't be an issue that I would normally discuss with the President of the Treasury Board, although the Treasury Board was aware of the results of the audit, sir. The audit would have gone, as I said, to the Auditor General and to Treasury Board.

**Mr. Brian Fitzpatrick:** I have one further question, sir, on your management style.

From my point of view, we have three or four senior, experienced RCMP people who have testified under oath before this committee about serious matters: inaction, circling, buck-passing, and a whole lot of different things that were going on within the RCMP. It's my read on this thing—and I'm sorry if you don't agree with me—that the only time you acted, sir, was when you were pretty well forced to act. Whether it was audits or criminal investigations or whatever, you had to react to the situation because you were put in a corner where you had to do something.

Why I'm really disappointed is that you're the captain of the ship. You should have taken the bull by the horns, taken this matter right at the very beginning and dealt with it. That is the kind of leadership I would have expected, sir.

**The Chair:** I'll allow you to respond, Mr. Zaccardelli.

**Mr. Giuliano Zaccardelli:** Mr. Chairman, whenever I have been informed of anything in 36 years of my career, I've always acted upon it immediately. I never passed the buck. I never abdicated.

What you have just said is totally unfair, and I totally disagree with it. Chief Superintendent Macaulay was promoted by me. When he came back from DND on an excellent secondment, he was given an excellent job. If that is what you consider punishment, I'd like you to clarify what that means. I never passed the buck, and I took my responsibilities seriously.

• (1700)

**Mr. Brian Fitzpatrick:** Okay, that's fine.

**The Chair:** Thank you very much, Mr. Fitzpatrick.

Thank you, Mr. Zaccardelli.

I have a couple of things, colleagues. We are running out of time. We are going to go to round two. We're going to have three minutes, but we're not going to conclude. I have one question before we do that, and I believe it's an important issue to clarify.

Mr. Ewanovich and Mr. Crupi, by your testimony today, you're leaving the impression that you retired or resigned on your own volition, with honour and distinction.

Mr. Zaccardelli, you gave the impression that these people were fired. I'd really like to get to the bottom of this.

Mr. Ewanovich, did you resign of your own volition, with honour and distinction, as you said, or were you fired? Which is it? You can't have it both ways here.

**Mr. Jim Ewanovich:** That's right. When I was advised of the audit, it was at the Château Cartier. We had a senior management meeting. I discussed the audit with the commissioner that evening. He chooses to use the term "remove". That's not the term that I certainly would agree with.

When we discussed it, I agreed that I would step down from my position because of the seriousness of the audit. The next morning, I went to my colleagues on the senior executive team and I announced that I was stepping down because of the audit. I felt it had happened under my watch and that I was accountable, and the words that I used said I would be resigning. Subsequent to that, I resigned on April 2.

**The Chair:** Mr. Crupi.

**Mr. Dominic Crupi:** My birthday was coming up on June 16. I realized after all those job losses that I could no longer work. My reputation was sullied. I couldn't get a job. I resigned.

**The Chair:** No one forced you out?

**Mr. Dominic Crupi:** At no time did anyone in the RCMP tell me to resign.

**The Chair:** And as far as you were concerned, you resigned with honour and distinction?

I assume both of you got performance pay right until the dying—

**Mr. Dominic Crupi:** I did not, sir. I did not get performance pay in the last three years. I got it one time, early in the process.

**The Chair:** Did you, Mr. Ewanovich?

**Mr. Jim Ewanovich:** I'd like to make it clear that I received no cashouts, payouts, or performance pay for the last year that I was there.

**The Chair:** Mr. Zaccardelli.

**Mr. Giuliano Zaccardelli:** Mr. Chair, as I said, the day that I read that report, I talked to Jim Ewanovich and I said he was gone. I appointed the replacement in his position, Barbara George, that day, and I instructed that Mr. Crupi also be removed from the job.

They're entitled to due process. The law requires that, and that's what they got. Of course they were still on the books, but they were removed from their positions.

When their appraisals came up in terms of performance pay, I was the one who made the decision that they would not get performance pay because of what had happened.

**The Chair:** Thank you very much.

Again, colleagues, we're going to go to the next examiner. We have 10 minutes left, and I'm going to go to Mr. Wrzesnewskyj, Mr. Williams, and maybe Mr. Laforest. Then at 5:15, we're going to deal with Mr. Christopherson's motion.

Mr. Wrzesnewskyj, you have three minutes.

**Mr. Borys Wrzesnewskyj:** Mr. Zaccardelli, you're a proud former member of the RCMP. You've said that you're basically a man of action; you take decisive action. Your course of action two days after a criminal investigation was launched was one of action. You shut it down.

You heard from Mr. Macaulay. You were decisive, you took immediate action, and you had him removed from the RCMP. Now, you say that you did this to protect him. He begs to differ.

But others took your cue. Ms. Revine was constructively dismissed. Was she being protected the same way you were protecting Mr. Macaulay? Mr. Frizzell was removed from the investigation. Was he being protected? They thought they were being punished. Now, it appears that those who should be punished were being protected, and those who should have been protected were in fact being punished.

Mr. Zaccardelli, when a criminal investigation of one of your appointees, Mr. Ewanovich, gets launched, you shut it down. What were you fearful of?

**Mr. Giuliano Zaccardelli:** Mr. Chairman, I would like to respond to this question. First, I would like to say that I categorically do not accept anything that has been said by this honourable gentlemen. I totally disagree with that.

The first point I want to make is that while he alleges I shut down a criminal investigation, there never was a first criminal investigation. Remember, as I said in my statement and as I've also testified, I received information from Mr. Lewis. As the commissioner, it was my decision to decide what to do with that information. Based on the information I had, it was my belief that the appropriate step was to conduct an audit.

If you look at some documents from Ms. Revine and Chief Superintendent Macaulay, they actually believed that an audit was the right step.

•(1705)

**Mr. Borys Wrzesnewskyj:** Okay.

Mr Zaccardelli, because of the time limitations—

**Mr. Giuliano Zaccardelli:** Mr. Chairman, may I have the decency to answer—

**The Chair:** Let him continue.

**Mr. Giuliano Zaccardelli:** I never ordered a criminal investigation, because I ordered an audit.

After Mr. Lewis agreed that his complaints were not criminal in nature, I found out two days later that he went to A Division and asked for a criminal investigation. In my view, that was an inappropriate action. The complaint had been made, and Mr. Lewis had a right to make the complaint. As the senior manager, it is my decision how to action it, and I actioned it that way.

I never removed or punished anyone in terms of those employees. I did not have anything to do with Mr. Frizzell. It was Inspector Roy from the Ottawa city police. I had nothing to do with Ms. Revine—

**The Chair:** One more question, Mr. Wrzesnewskyj.

**Mr. Borys Wrzesnewskyj:** Thank you.

Mr. Zaccardelli, did a former chief financial officer of the RCMP advise you that Deputy Commissioner Paul Gauvin has a book with a record of all the requests you made to him, which were improper and illegal, and that if he goes down, he will take you with him?

**Mr. Giuliano Zaccardelli:** I have no recollection of that. Mr. Gauvin has been recognized by the committee—

**Mr. Borys Wrzesnewskyj:** Chair—

**The Chair:** Will you allow Mr. Zaccardelli to continue, Mr. Wrzesnewskyj. Please don't interrupt the witness. You asked him a question, so let him continue.

Mr. Zaccardelli.

**Mr. Giuliano Zaccardelli:** I have no knowledge of that statement, and I would add, Mr. Chair, that Mr. Paul Gauvin has been recognized by his profession as one of the most outstanding chief financial officers in the federal government.

**The Chair:** Thank you very much, Mr. Wrzesnewskyj.

Thank you, Mr. Zaccardelli.

Mr. Williams, you have three minutes.

**Mr. John Williams:** Thank you, Mr. Chairman.

I'm at a loss trying to understand what's going on here, because we have serious allegations on the record by the chief superintendent, Mr. Lewis, and others, which are refuted by Mr. Zaccardelli.

Mr. Zaccardelli, you just mentioned a minute ago that there was no police investigation back in 2003. Yet the Auditor General specifically mentions that the RCMP initiated a criminal investigation on June 23, 2003, which you stopped two days later.

Why do you say there was no criminal investigation?

**Mr. Giuliano Zaccardelli:** Because there wasn't. The complaint was made, Mr. Williams—

**Mr. John Williams:** No, the RCMP initiated a criminal investigation on June 23, 2003. That's in paragraph 9.11 of the AG's report.

**Mr. Giuliano Zaccardelli:** I'm going to tell you what I did and why, Mr. Williams.

When the information came to me, I analyzed the information, and based on that information, I believed the appropriate action to take from an organizational perspective was to do an audit. When I learned two days later that Mr. Lewis had tried to initiate a criminal investigation, I considered that to be an inappropriate action because I had already passed judgment on the facts that were presented to me. And the facts, as they were presented to me, did not amount to a criminal investigation, which has subsequently been proved by the fact that our own internal audit didn't uncover any criminal investigation and the Attorney General did not pursue criminal charges. Mr. Macaulay and Ms. Revine actually agreed, in correspondence sent to me July 4, 2003, that an audit should be done, not a criminal investigation.

**Mr. John Williams:** I'm still at a loss to find out why the force is arguing amongst themselves between statements on the record about cover-up at the top and no real response as to why we would have a cover-up.

Ms. George, I understand, is no longer in her position. She left the very day we had our last meeting. It appears that her testimony has been refuted by e-mails tabled in this place.

Why would senior members of the force go to the extent of denying all this is going on and trying to say this isn't a big deal? Because it is a big deal.

**Mr. Giuliano Zaccardelli:** Mr. Williams, you have a public internal audit, an internal audit that is shared with the Treasury Board and the—

**Mr. John Williams:** It's the cover-up I'm talking about.

**Mr. Giuliano Zaccardelli:** Well, this is what I'm talking about. If this is a cover-up, I think it's a pretty poor cover-up. We have a public audit by the RCMP that is shared by Treasury Board and the Auditor General. We have a very public investigation that is going on by the Ottawa city police. We have the Crown that says there's no reason to charge. I am communicating regularly with my members, giving them an update on what's going on. I am meeting with NEC, the national executive committee of the divisional reps. This is in the public domain.

If this is a cover-up, Mr. Williams, I leave it to you.

•(1710)

**Mr. John Williams:** The only thing that I can say, Mr. Chairman, is that Barbara George denied all knowledge of the investigation and Mr. Frizzell and whatever else was going on, and that was completely refuted by e-mails tabled by Mr. Wrzesnewskyj. Now she's no longer in her position. That's what I'm talking about as a cover-up.

I'm not making any particular accusation at you, Mr. Zaccardelli, but there are a number of issues here where they say you were informed, and you acknowledge that you were fully informed.

**Mr. Giuliano Zaccardelli:** And I acted upon the information.

**Mr. John Williams:** You acted upon it, but I'm at a loss to find out what we're actually trying to.... I think the cover-up is worse than the crime, as it always is, if there is a cover-up, and there appears to be a cover-up, and I can't understand the motivation for the cover-up.

Anyway, you mentioned how you kept the minister informed. Do you actually recall talking to the minister, or was it just a departmental briefing from the RCMP to her department?

**Mr. Giuliano Zaccardelli:** It would be briefing notes. I do not specifically recall speaking to Minister McLellan. I do recall some discussions with Minister Day, but more particularly about the need to look at the legislation on the one-year limitation. I would briefly tell him, "Look, there are serious allegations. We've taken them seriously—we've done audits and criminal investigations and the Auditor General has come in—but there is this issue about the one-year limitation." It was in that sense that I was briefing the minister.

**The Chair:** Thank you very much, Mr. Williams.

Thank you, Mr. Zaccardelli.

We have two minutes left. I'm going to go to Monsieur Laforest for two minutes, and then I'm going to have to move to the three motions we have to deal with as a committee.

Monsieur Laforest.

[*Translation*]

**Mr. Jean-Yves Laforest:** Thank you, Mr. Chairman.

Mr. Zaccardelli, you told us earlier...

[*English*]

**The Chair:** Mr. Poilievre, on a point of order.

**Mr. Pierre Poilievre:** Before the time runs out and before we move into motions, I'd like to move that this committee sit until 6:30 and continue to hear testimony from the witnesses. I believe there are lots of answers that need to be heard. With the unanimous consent of this committee, we could sit until 6:30, and that would permit us to get more of those answers.

**The Chair:** I'll throw it open.

**Mr. Pierre Poilievre:** There don't seem to be any objections.

**The Chair:** There is a motion from Mr. Poilievre to go to 6:30. I would still have the motion at 5:15, but we can go for an hour after. Is everyone agreed to that?

[*Translation*]

**Mr. Jean-Yves Laforest:** I fully agree.

Will you add to my two minutes?

[*English*]

**The Chair:** No, but I can come back to you.

[*Translation*]

**Mr. Jean-Yves Laforest:** Okay.

[*English*]

**The Chair:** Everyone is in agreement? Okay, fine.

I think I'll do it better than that. I'm going to come back to you right away and I'm going to go to the motions right now.

It's 5:15. We're going to deal with three motions, colleagues. They won't take long. I'll ask the witnesses to stay where they are. I just want to make sure that these are done.

The first two motions, colleagues, I don't think require any discussion. I'm going to go over them very briefly. They're just administrative motions to approve a budget.

As you all are aware, we've invited Mr. Brian Glicksman to attend from England to Canada, and there is a motion, which I will not read, just to authorize his budgetary expenses of up to \$5,000 to pay for his expenses. Can I get a mover for that motion?

**Mr. John Williams:** I so move.

**The Chair:** Thank you, Mr. Williams.

I don't believe we need any discussion.

(Motion agreed to [*See Minutes of Proceedings*])

**The Chair:** The next motion, again, is a very administrative motion dealing with the budget for certain witnesses to come from other parts of Canada to attend this hearing. This is a normal practice in this committee. Again, is someone prepared to move this motion?

•(1715)

**Mr. John Williams:** I so move.

**The Chair:** Thank you, Mr. Williams.

I don't believe it requires any discussion.

(Motion agreed to [*See Minutes of Proceedings*])

**The Chair:** The next motion is the motion of Mr. Christopherson. I will read the motion. What I propose to do, colleagues, is to allow Mr. Christopherson two minutes to present his motion. I'll read it. He's moved it. Then I'm going to allow up to six interventions of a minute to a minute and a half each. Then I'm going to give the last minute to Mr. Christopherson.

The motion reads: "I move that the Standing Committee on Public Accounts write to the Minister of Public Safety requesting that the RCMP Pension Plan Funds Investigation be made a full commission of inquiries under the Inquiries Act." That was moved, of course, by Mr. Christopherson.

Mr. Christopherson, I'll allow you now to speak to the motion.

**Mr. David Christopherson:** Thank you very much, Mr. Chair. I appreciate your getting this on the agenda.

I made a couple of comments earlier about the proceedings here. I think that what happened after I made those comments goes on to reinforce—and I think by the end of this meeting it ought to be crystal clear to anybody watching—that we do not have the means, the structure, the ability to do justice to the kind of investigation that needs to be done. But I also want to say that as far as the NDP is concerned, the appointment by the government of a contract person to conduct some investigation is equally unable to rise to the task. I believe we need a public inquiry under the Inquiries Act, for a number of reasons.

One, this individual has no legislative authority, no legal authority, no investigative authority that can be based on anything where Parliament has the power to give someone to do something. That's why we have the Inquiries Act. That means, Chair, that unless it's under this act, witnesses will not necessarily be under oath, and there will not be the ability to summon individuals to come. Certainly those who are outside government wouldn't have to pay any attention. The Inquiries Act allows summons that would supercede the Privacy Act and other matters that could hide information that needs to come out. Under a public inquiry, they'd have the ability to pierce through that.

It's far more arm's length. Certainly a retired judge would have a lot better standing in our mind, as opposition people. Notwithstanding that I don't know the individual personally involved, it's an appointee of the government with a limited track record. And even it has some questions around it, although I'm not going to focus on that a lot. It's not the greatest choice in the world, but it's a bad process.

I want to emphasize again that there's more protection for the witnesses. We see our witnesses today jumping to get their point of view across when someone has said something that may implicate them, and they want a chance to do that. We do not have the mechanism. It's not a court of law. We need that court of law to do it.

The last thing is that there's nothing at all that guarantees that all documents presented during this review will be kept as part of the permanent record of the investigation. That only happens under the Inquiries Act.

So for good common-sense reasons and good legal reasons, Chair, I hope that at least the majority of this committee...although I'd like to see the government come on side and recognize that we need to say to the minister—and that's what this is—that the investigation

he's appointed is not nearly good enough and we need a full public inquiry. That's what the committee is asking the minister to undertake.

**The Chair:** Thank you very much, Mr. Christopherson.

I will entertain up to six interventions at one minute each.

Ms. Sgro, one minute.

**Hon. Judy Sgro (York West, Lib.):** I would like to speak in favour of the motion from Mr. Christopherson. This whole issue has shaken the confidence of many of us, and this process, what we call a process, here today is totally inadequate. It is unfair for people to have accusations made against them and not to have sufficient time to be able to respond, and going back and forth like that is not a positive process for us to be doing.

So I'm very supportive of moving forward on the inquiry. I think it's imperative for Canadians and all of us who love and respect the RCMP, as does Commissioner Zaccardelli and the others, that we make sure this is looked at clearly, that the air is cleared, and that Canadians and all of us have the confidence we need in the RCMP.

I think it's imperative that we go forth and have a full inquiry. Having Mr. Brown ask questions...he's not even going to get the amount of information that we're able to get through the committee process. So I think it's imperative that the process, after today, be squashed and a full public inquiry be called.

**The Chair:** Thank you, Ms. Sgro.

Mr. Laforest, one minute.

[*Translation*]

**Mr. Jean-Yves Laforest:** Thank you, Mr. Chairman.

I fully support this motion. However, would Mr. Christopherson agree to a friendly amendment? We could include the word "public" in the motion in order to ensure that it will really be a public inquiry.

[*English*]

**Mr. David Christopherson:** Mr. Chair, it's implied by the Inquiries Act, which is about public inquiries. But by all means, to raise the comfort of my colleague—and particularly to get his vote—I will be glad to put that word in there, and just about any other word he wants, to make this go through.

So I'm fine with that as a friendly amendment, Chair.

● (1720)

**The Chair:** Yes. I think it's pretty clear what the understanding is.

Thank you, Mr. Laforest.

Mr. Williams.

**Mr. John Williams:** I had a question of form, Mr. Chair. I do not think—and you know how I sometimes hold on to the proper form—that we as a committee have the authority to write to the Minister of Public Safety. I think we can only table a report in the House asking that the Minister of Public Safety convene an inquiry, and therefore I think the form of the motion is not in the proper order. Perhaps you want to check with the clerk.

**The Chair:** Mr. Williams, apparently this issue was canvassed before, and the motion is in order to write to the government minister. The will of the committee is to go to the government minister.

Mr. Poilievre.

**Mr. Pierre Poilievre:** I actually don't have a big problem with this motion or the substance within it. My concern is the timing. The government has set in place a legitimate process under section 127 of the Public Service Employment Act. Contained within the terms of reference of that investigation is the ability for the investigator to recommend a public inquiry. If that recommendation comes forward, or if we have any reason to believe that the investigation has not been sufficient, I would certainly be prepared to support Mr. Christopherson's motion.

So I would offer him my conditional support for the motion, and I would exercise that support on the condition that the two-month process that is scheduled to end in mid-June run its course, and if it's believed insufficient at that time, I would certainly be willing to vote in favour of the motion.

At the same time, I don't believe now is the occasion to do so, because we haven't actually witnessed this investigation carried out. I've talked to a lot of people involved in this matter who have said they don't want to wait two or three years for a public commission to go ahead, because frankly, they want answers sooner than that. That's my preference as well, to get to the bottom of it quickly rather than to delay, and if we can get to the bottom of it quickly, then that would be superior to waiting.

However, if that doesn't work, I'm happy to support Mr. Christopherson's motion in June. We can easily convene a special meeting of this committee to do so. For now, I'm just going to abstain because I don't object to its content, merely to the conditions under which it's presented. And if those conditions change in a couple of months and it becomes necessary, then he can count on my support at that time.

But he can count on my abstention today.

**The Chair:** Thank you, Mr. Poilievre.

I don't see any other interventions, so I'm going to give the last minute to Mr. Christopherson and then call the question.

**Mr. David Christopherson:** Thank you, Chair.

I appreciate everybody's comments.

In response to Mr. Poilievre's last comments, the problem is that in the meantime we're going to continue these hearings, because it's inadequate, and I've fundamentally always said that having both at the same time is a total waste. We have so much work in front of us. There are millions of other dollars of accountability we have to do work on, and we're not doing that while we're seized with this. Until we get a proper inquiry, I'm not going to vote that we don't be seized of this.

There is an issue of whether the status quo is okay or not. The status quo is going to cost this committee time and effort, and we're going to lose the opportunity to dig in other areas where we ought to. In the meantime, while you say you want to do it quickly, many of

these officers have already been waiting three or four years. The last thing they want is any new effort that doesn't go all the way and give absolute, 100% accountability to the truth. This process is not going to get them that. We need a full public inquiry.

**The Chair:** Thank you very much, Mr. Christopherson.

At this time I'm going to call the question.

• (1725)

**Mr. David Christopherson:** I want a recorded vote.

**The Chair:** I'll instruct the clerk to have a recorded vote.

(Motion agreed to: yeas 6; nays 0 )

**The Chair:** Colleagues, we've been here for two hours so we'll take a break for a few minutes. Then we'll come back to Mr. Laforest.

• \_\_\_\_\_ (Pause) \_\_\_\_\_

•

• (1730)

**The Chair:** All right, we'll resume the meeting.

Colleagues, it's now 5:32. On unanimous agreement of the committee, we're going to continue the meeting until 6:30. When we cut off the questioning, we were just starting round two. What I propose to do is go back to round two, start with Monsieur Laforest and make it a five-minute round, and then just keep going as far as we get.

Mr. Poilievre will be up next, and then so on and so forth.

[Translation]

Mr. Laforest, you have five minutes.

**Mr. Jean-Yves Laforest:** Thank you, Mr. Chairman.

Mr. Zaccardelli, you stated earlier that you acted quickly once you became aware of certain situations, and that you did so on the issue we are dealing with today as well as on other issues. So, toward the end of May 2003, Mr. Lewis informed you of problems in the area of human resources management. Then, in November 2003, Mr. Ewanovich and Crupi were removed from their positions.

Do you agree with me so far?

[English]

**Mr. Giuliano Zaccardelli:** Yes.

[Translation]

**Mr. Jean-Yves Laforest:** You agree. You are nodding.

I have a hard time understanding. You say you act quickly, but at the same time, when Mr. Lewis came forward with information, you already knew that this would probably implicate Mr. Ewanovich and Mr. Crupi. Nevertheless, in July 2003, you agreed that Mr. Ewanovich and Mr. Crupi should receive an annual performance bonus at the maximum rate possible. More than that, Mr. Ewanovich's contract that was due to expire in October 2003 was prolonged until October 2004. This is information provided by Mr. Lewis.

I have difficulty understanding. You were in receipt of information implicating these two persons, but based on an assessment, you gave them performance bonuses in addition of renewing the contract of one of them. Then, four months later, you have these people removed from their position. It is a strange process that is hard to follow.

I would like an explanation.

[English]

**Mr. Giuliano Zaccardelli:** Mr. Chairman, on the point of performance pay, my recollection is that I never, contrary to what Mr. Laforest has said, authorized the maximum payable performance pay for Mr. Ewanovich and Mr. Crupi. After I had information from Mr. Lewis—that is correct. But that information was just information. I needed an audit in order to determine what really was there and what else I should do with it. The fact that somebody makes an allegation doesn't mean the allegation is proven. I needed an audit to do that.

In the subsequent year, in the most immediate performance appraisal of Mr. Ewanovich, after the audit was concluded and I determined that he and Mr. Crupi should be removed, in that year, the first opportunity I had, I authorized no performance pay for them.

Now, on the other issue that Mr. Laforest touched upon, I did remove them immediately. I removed Mr. Ewanovich from his position. As I said, Barb George took over immediately that day in his former position. I then instructed her to remove Mr. Crupi.

But as you know, in providing due process to people, the fact that you remove them from their jobs does not mean they are automatically off the books. People have leave, there are certain entitlements. That's part of due process that everybody's allowed, and that's what Mr. Ewanovich and Mr. Crupi were given. I gave my clear instructions as to what should be done on the day I received the audit—not two days later, not three days. The very day that I received the audit, I acted upon the information that I had.

• (1735)

[Translation]

**Mr. Jean-Yves Laforest:** Thank you, Mr. Zaccardelli.

Mr. Lewis, you provided us with information according to which Mr. Crupi and Mr. Ewanovich received an annual performance bonus at the maximum rate and that Mr. Ewanovich's contract was prolonged. When Mr. Zaccardelli just stated that there had been no performance pay, I saw you react.

Could you tell us about it?

[English]

**The Chair:** Mr. Lewis.

**Mr. Ron Lewis:** Mr. Chairman, I'm reacting to several statements that Mr. Zaccardelli has made in his opening statement and subsequent—

**The Chair:** If you could, be relatively brief.

**Mr. Ron Lewis:** Yes.

He says he immediately took action. That's not correct. Now, either Deputy Commissioner George or Mr. Zaccardelli is not telling the truth, because when the report came in, in October—that's when

the report was tabled on the audit that he caused—nothing was done. When I went forward, for the members I represented, and talked to Deputy Commissioner George, she said, “Nothing will be done.”

That's when I sent the message forward that if there's nothing done, it's going public. Then on November 4...now, if that's immediate, I don't know. Crupi wasn't removed until about November 23, and the investigation was not going to happen.

He says, “I took immediate action.” I would like Mr. Zaccardelli to have produced any document wherein he requested an internal investigation immediately. I would like to know when he ordered a criminal investigation, because I know that it was my documents that were suppressed, and I could not get the investigation going without going to the government.

Now, if that's immediately... He gives you the impression that on that day...and he says it: “that day”. It was not that day. It was November 4; that's several weeks after the audit came out. It was November 3; that's a month after the audit came out. And the internal investigation was ordered in 2005; that's two years later. And the limitation of action is only one year. By the time they started it, it was too late anyway.

**The Chair:** You have a brief point of clarification, Mr. Zaccardelli, and I will ask you to be brief.

**Mr. Giuliano Zaccardelli:** I can only repeat again that the day I received the audit report, in front of my senior executive committee—in front of my senior executive committee—I made the decision, and I told Jim Ewanovich that he was being removed from his position. That day, I appointed Barb George as the new chief human resource officer, with the instructions to remove Crupi from his position. If that is not immediate action...

Now, Mr. Lewis may not have liked all that action that I took; that's his choice. But that is decisive action based on the report. And the report did not in any way identify anybody else, or—very importantly—find any evidence of criminal activity. That's what I had in that report.

**The Chair:** Thank you very much, Mr. Zaccardelli.

Mr. Poilievre, you have five minutes.

**Mr. Pierre Poilievre:** Mr. Lewis, how do you respond to that?

**Mr. Ron Lewis:** I have a document that I received this weekend—Saturday—from the RCMP. It identifies that in October 2003 an internal audit was concluded, and they talk about the irregularities. It says that in November 2003, which is the next month, Mr. Ewanovich was removed from his job and Deputy Commissioner Barb George was appointed. That's not the same day; that's either weeks or months. On November 23, Mr. Crupi was removed.

• (1740)

**Mr. Pierre Poilievre:** Can you please table that?

**Mr. Ron Lewis:** Yes, I will.

So I don't get it. The same day? It's not; it's weeks apart. And it's only after my intervention; that's the key here. I hope everybody's catching on to that. I had to go in to talk to Barbara George and send messages to the commissioner that if nothing was done I was going public.

**Mr. Pierre Poilievre:** You said you intervened with the government at that point to get an investigation?

**Mr. Ron Lewis:** No, in fact, when Barbara George agreed to accept my complaint.... It was only after she went in and basically insisted. When you ask her whether she had a meeting with her husband and stayed up until 3 o'clock in the morning, and what the discussion was, it will be: "I was going in and I was going to resign if Mr. Zaccardelli wasn't going to start an investigation." Now, there's somebody not telling the truth here. I'm just going on what I've been told and what I've been presenting, and I have the documents.

I don't hear at any time that Mr. Zaccardelli says, "I have the documents to show that I received a report on this date, and I did my action on that date." Well, let's get them together; let's ask him for the documents.

**Mr. Pierre Poilievre:** Perhaps, if you have some documentation to the contrary, you can share it as well.

Mr. Zaccardelli, I read through this audit from KPMG, and it's not the only document that shows these ridiculous contracting procedures that see people get paid to pass contracts to other people, who then pass them to other people who pass them on to other people, each one getting to skim off the top without actually doing any work. There is plenty of evidence of this. When you removed Mr. Crupi, why did you not remove his security clearance? Why did you allow him to be hired in another department?

**Mr. Giuliano Zaccardelli:** Is that question directed to me, sir?

**Mr. Pierre Poilievre:** Yes.

**Mr. Giuliano Zaccardelli:** I have no authority over another department to hire anyone.

**Mr. Pierre Poilievre:** When you remove somebody, you have no impact on the security clearance they're going to have in the future?

**Mr. Giuliano Zaccardelli:** They have a security clearance. When somebody hires someone, they do their own checks and they do their own security clearances.

Remember what I said. I gave instructions on the day I received the audit. In front of my senior executive committee, I told them Mr. Ewanovich had to be removed from his position. I put Barbara George in there and I gave her instructions, as the captain of the ship, to remove Mr. Crupi from his position. I gave those orders, and that's what eventually took place.

**Mr. Pierre Poilievre:** Mr. Crupi, on roughly what date did you get hired at the Communications Security Establishment?

**Mr. Dominic Crupi:** Three weeks ago.

**Mr. Pierre Poilievre:** Three weeks ago. Did you indicate to them the background that you have?

**Mr. Dominic Crupi:** Yes.

**Mr. Pierre Poilievre:** What about the fact that you were removed from your position for this misconduct?

**Mr. Dominic Crupi:** As I said, I was on administrative leave. To my knowledge, I was not removed. There were never any charges of criminal activity laid against me. I disclosed everything.

**Mr. Pierre Poilievre:** So you were not removed.

Mr. Zaccardelli, was he not removed for his misconduct?

**Mr. Giuliano Zaccardelli:** Based on the findings, which were very serious in the audit report and which refer to the same things in the audit report that you referred to—

**Mr. Pierre Poilievre:** So the answer is yes, then.

**Mr. Giuliano Zaccardelli:** —I gave instructions that he was to stop working and be removed from his job.

**Mr. Pierre Poilievre:** Because of that misconduct.

**Mr. Giuliano Zaccardelli:** Absolutely.

**Mr. Pierre Poilievre:** Okay.

So you were removed.

**Mr. Dominic Crupi:** I was put on administrative leave.

**Mr. Pierre Poilievre:** And you didn't bother to tell the Communications Security Establishment that when you went to get hired by them.

**Mr. Dominic Crupi:** I did. I told them I was on administrative leave. No one ever told me I was being removed.

**Mr. Pierre Poilievre:** So is he on administrative leave or was he let go?

**Mr. Giuliano Zaccardelli:** I gave instructions to my staff that he was to stop working in that area.

**Mr. Pierre Poilievre:** So you're telling me he's on leave now?

**Mr. Giuliano Zaccardelli:** People are entitled to due process and

**Mr. Pierre Poilievre:** So he's on leave. He hasn't been fired.

**Mr. Giuliano Zaccardelli:** I didn't say he was fired. I said he was removed from doing that job the way Jim Ewanovich...and I gave instructions that very day.

**Mr. Pierre Poilievre:** So you didn't even get rid of him. You implied in your testimony that you had gotten rid of him for this misconduct, and now you tell me he's not even gone, but is on leave.

**Mr. Giuliano Zaccardelli:** I did not imply anything. I stated very clearly in the statement that I had the two people who were principally responsible for what I believe were the wrongdoings in the audit removed from their jobs. They are entitled to due process in terms of exiting from the organization.

**The Chair:** Before we move on to Mr. Christopherson, let me ask you this, as a follow-up to that question. Would Mr. Crupi's personnel file confirm any of this information?

**Mr. Giuliano Zaccardelli:** Could you repeat the question?

**The Chair:** Obviously the Royal Canadian Mounted Police would have a personnel file for Mr. Crupi. If we got that file, which we're entitled to have, would that indicate why he was dismissed?



•(1745)

**Mr. Giuliano Zaccardelli:** I'm not certain what's in the file. I can only tell you the instructions I gave that very same day when I received the audit. I wanted the two people removed from their positions so that they would not be in a position of authority to direct human resources or the National Compensation Policy Centre.

**The Chair:** Mr. Christopherson, for five minutes.

**Mr. David Christopherson:** Thank you, Chair.

Mr. Zaccardelli, let's go back to the issue of the ordering of a criminal investigation and whether or not that really happened. Let me introduce a couple of facts, and then I'll make my comments.

When you splice it, the actual wording that the Auditor General uses in her report is:

The RCMP initiated a criminal investigation on 23 June 2003. The Commissioner then cancelled it two days later to conduct an internal audit to more clearly identify issues and help determine if an external investigation was warranted.

We have the current acting commissioner saying under oath here:

My understanding around the first criminal investigation was that it was not the commissioner who ordered that investigation but someone else. In his review of that, he turned it into an internal audit for whatever reason he felt was expedient.

And lastly, I have a quote from Mr. Lewis, referring to you, sir:

He instructed me at that time to go to the commanding officer of A Division to start an investigation, and I have the documents, which will be tabled. At that time, it was Assistant Commissioner Ghyslaine Clément, because she was responsible for criminal operations in the Ottawa area.

If I have this right—and please help me if I don't—it's your contention, Mr. Lewis, that you went in to see Mr. Zaccardelli. As part of your discussion with him, he said he wanted you to go ahead and act, with his authority, to start this investigation by contacting someone. A couple of days later, you confirmed that in an e-mail, which then went to Mr. Zaccardelli.

Mr. Zaccardelli, you're saying you didn't give such a direction, and when you saw it in this e-mail, you immediately....

No? Then correct me now.

**Mr. Giuliano Zaccardelli:** I can only tell you what I did and what I know, sir.

Once Mr. Lewis came to me and made a series of complaints, my judgment was that the best way to deal with that matter was to have an internal audit. That very day—

**Mr. David Christopherson:** But he left there with a different understanding.

**A voice:** That's right.

**Mr. Giuliano Zaccardelli:** I can't speak for his understanding. I can only tell you what I did. I ordered an audit, because I called the internal auditor—

**Mr. David Christopherson:** You're not adding anything to my line of questioning, sir.

**Mr. Giuliano Zaccardelli:** I'm trying to tell you what I did that day, because then I have to get to the two days later.

**Mr. David Christopherson:** I know what you did that day. We have testimony to that effect, sir. I'm really not trying to be difficult. I'm just trying to narrow it down.

Let me ask you a direct question, sir. At that meeting, did you give directions to Mr. Lewis to initiate correspondence that would have the effect of starting a criminal investigation? Yes or no.

**Mr. Giuliano Zaccardelli:** Absolutely not, because it would have been contrary to the decision that I'd already made, which was to issue an audit.

**Mr. David Christopherson:** Thank you. This is why you need a courtroom and not here, sir. I'm sorry, but I have to stop you and go to Mr. Lewis, if I have the time.

Mr. Lewis, would you give testimony, then, that that's not the truth and that you were given explicit direction to use the authority of the commissioner and convey that a criminal investigation was about to start? Yes or no.

**Mr. Ron Lewis:** Absolutely. Under oath, that's exactly what he told me.

**Mr. David Christopherson:** Obviously this is not nuance. One of them is lying. It can't be both. They're saying opposite things, so either an order was given to start a criminal investigation or it was not.

I'm curious, though, Mr. Zaccardelli, how it came to your attention that somebody was starting a criminal investigation when they shouldn't have been. What's your opinion?

**Mr. Giuliano Zaccardelli:** Two days later.

**Mr. David Christopherson:** How?

**Mr. Giuliano Zaccardelli:** I do not know who, but someone brought to my attention—

**Mr. David Christopherson:** How did they bring that to your attention?

**Mr. Giuliano Zaccardelli:** They came to me and spoke to me personally.

**Mr. David Christopherson:** But you don't know who it was.

**Mr. Giuliano Zaccardelli:** No, I don't remember who it was, but I remember what I did as a result of that discussion. I called for the commanding officer of A Division. She was not there. I spoke to Chief Superintendent Watson, who was the criminal operations officer responsible for criminal operations in the national capital region.

I said it was my understanding that Staff Sergeant Lewis went to A Division and was asking for a criminal investigation. I told him that I had already dealt with Mr. Lewis's complaints and that, based on my decision and my evaluation of the facts, the organization would do an audit. That was my responsibility as the senior manager in the force, and I told him they would not proceed, because they hadn't even started.

That was not the proper way. That was a decision that I was to make as the commissioner, in terms of what was the proper way to proceed. Subsequent acts confirmed that it was the proper way to proceed.

•(1750)

**Mr. David Christopherson:** Thank you, Mr. Zaccardelli.

Mr. Lewis, what's your version?

**Mr. Ron Lewis:** It's interesting. Mr. Zaccardelli must have been working on the weekend, because my recollection is that on May 28 we had a meeting. That has been recorded and is not in dispute. He's saying now that two days later he called Chief Superintendent Watson. I never put the complaint in until June 5, from Niagara Falls. I never talked to Watson until a week later, after I got back from Niagara Falls. So now he's saying that two days later he called Watson. I never even got the complaint in until the June 5, and I never talked to Watson until at least a week after that.

In a document that I've already tabled, it says that the criminal investigation started on June 23 and ended on June 25. That's incredible.

This is the problem I've had for six years with this man. I keep telling him things, he keeps twisting, and he keeps telling lies. I'm sick of it. And he's doing it here under oath.

**Mr. John Williams:** [*Inaudible—Editor*]

**The Chair:** I know where you're coming from, Mr. Williams, and I'm going to address it.

Please, in your testimony, Mr. Lewis, I'd ask you to refrain from making personal insinuations like you just did. We don't allow that in Parliament, and we're not allowed to do it in this committee. We're here to give every witness a chance to explain their involvement in this very difficult situation in which they've found themselves involved. We're not going to tolerate any more statements like that against any person, either in this room or outside this room.

Mr. Williams, did I address your concerns? I think I did.

**Mr. John Williams:** That's correct, yes.

**The Chair:** Mr. Rodriguez, for five minutes.

[*Translation*]

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Thank you, Mr. Chairman.

I must say it is really astonishing to hear so many contradictory versions about such important aspects based on such categorical statements.

Mr. Zaccardelli, given the impact this could have, for example, on the career of Mr. Macaulay, in your own mind why do these people make such serious allegations?

[*English*]

**Mr. Giuliano Zaccardelli:** I can't speak for them, but I'm assuming they came forward because they genuinely believe in what they're alleging and what they're proposing, and they have every right to do so. But I believe they have a duty to corroborate these unsubstantiated and baseless facts.

You keep referring to Mr. Macaulay. I explained how I dealt with Mr. Macaulay. Mr. Macaulay was given a secondment, and then he came back into a very good job that I actually.... If I were punishing Mr. Macaulay, I certainly would have taken action to prevent his going to a very good job. I actually had no say in where he was going. He was requested by Assistant Commissioner Darrell LaFosse, who wanted him, and he went there. I had absolutely no say in that whatsoever.

I can't explain why people are coming forward and making these statements. I can only tell you what I knew and how I acted based on that information. Some people may disagree with the actions I took, but as I said in my opening statement, it is a quantum leap to disagree with someone's managerial decision and to take that disagreement to mean that there's a cover-up or that somebody's been involved in a criminal matter. That is what I'm stating here today.

[*Translation*]

**Mr. Pablo Rodriguez:** My question is directed to Mr. Macaulay and is on the same subject. At our last meeting, you stated, and I quote:

My punitive assignment was a two-year secondment to the Department of National Defence. Let me add that this in no way reflects upon the Department of National Defence, but for me, being removed from my position was a punishment and a clear message to others.

You said and you maintain that it was a punishment in your opinion.

But Mr. Zaccardelli said that he did it for your own good. He adds that he gave you a promotion upon your return. Do you agree?

[*English*]

**C/Supt Fraser Macaulay:** No. First, I didn't get a promotion since I returned. I was a chief superintendent when I left in 2003 and I'm a chief superintendent today. So I've never had a promotion.

[*Translation*]

**Mr. Pablo Rodriguez:** I meant that he gave you a good job, that you got exactly what you wanted.

[*English*]

**C/Supt Fraser Macaulay:** No. I was in human resources before I left. I came back under Assistant Commissioner Darrell LaFosse, who was looking for someone to come back.

But just on that point, I have to make it very clear that he was ready to take me before I ever left, and he was told, no, you can't have him, and I was sent to DND. On two further occasions, he kept trying to get me to come back; we had discussions about my coming back.

But what's really important for this, just to put clarity around some of the issues, is that in my discussion with Barb George when I was coming back, she actually said to me that I had to demonstrate to her why I deserved to come back. I'll find the exact quote in here. This has nothing to do with, as Mr. Zaccardelli says, my knowing for a year. It might be in his mind that I knew for a year from somewhere. I don't know where that opinion got formulated. May 28 is the day we found out.

In regard to all the audits, on June 17 when I went into Mr. Zaccardelli's office, at the request of Barb George, who was the only person, I believe, at that time who really knew exactly what was going on in the organization.... She was aware of Ron Lewis's complaint; I wasn't. On June 17, we left them paper. That created the audit, not May 28.

● (1755)

[*Translation*]

**Mr. Pablo Rodriguez:** Thank you.

Mr. Lewis, at the same meeting, referring to certain managers surrounding Mr. Zaccardelli, you said, and I quote:

Some of these key individuals demonstrated substandard values and lacked the integrity expected of members of the RCMP. When these executives were found committing wrongdoings, they were protected by commissioner Zaccardelli rather than punished.

Considering what Mr. Zaccardelli said today, did you change your opinion?

[English]

**Mr. Ron Lewis:** No, I haven't.

[Translation]

**Mr. Pablo Rodriguez:** With reference to Mr. Crupi's file earlier on, you showed us a document. Could you tell me what it is about?

[English]

**Mr. Ron Lewis:** This document was presented to me—I'll give you the exact time and date—by Chief Superintendent Macaulay in Greely, Ontario, at 10.30 a.m. on April 14, 2007, which was Saturday, I believe. It was passed on to him from the RCMP to give to me to come here today. These were the documents that I requested.

And this is a document I referred to earlier—

**The Chair:** Are you going to table these documents?

**Mr. Ron Lewis:** I'm going to table it, yes.

It covers other issues as well, but it says here: "November 23, 2003, Dominic Crupi, former Director of National Compensation Policy Centre, was sent home on management leave." Now, there's no such thing in the public service. He was home for 16 months.

Then, it said, on March 22, 2005—that's, I believe, 16 months later—"Dominic Crupi, former officer in charge of the National Compensation Policy Centre, was suspended without pay." Now, that is my understanding of how the public service works. You'll have to verify that.

"On June 17, 2005, he resigned from the public service." My understanding is that he reached the age of pension at that time. You'll have to verify that as well.

That's the official document from the RCMP. That's quite a difference from firing him, he's going home. That's the document from the RCMP.

I'll table this with you as well. You'll have to verify it.

**The Chair:** Thank you very much, Mr. Rodriguez.

Mr. Sweet is next, for five minutes.

**Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC):** Thank you, Mr. Chair.

Mr. Crupi, we've got evidence all over the place—your testimony all over the place. When did your administrative leave end?

**Mr. Dominic Crupi:** My administrative leave ended probably in November 2004—November or December—when I went on sick leave.

**Mr. David Sweet:** You went on sick leave.

**Mr. Dominic Crupi:** Correct.

**Mr. David Sweet:** You've been on sick leave right up until the time that you were hired in this position you're in now?

**Mr. Dominic Crupi:** No. I was retired for two years before.... I'm a retired person. I was off for two years. I was basically doing other things. I've just been in this position for three weeks.

**Mr. David Sweet:** You were paid on sick leave until when?

**Mr. Dominic Crupi:** I was paid on sick leave right to the end, when I retired. There was a suspension letter given. I challenged the suspension, it was reversed, and I continued on sick leave. I did not lose a day's pay or benefit.

**Mr. David Sweet:** Just for the record, Mr. Ewanovich, you testified your situation was different. You actually quit on November 23. You said you got no package.

**Mr. Jim Ewanovich:** No. I stepped down from my position in October. I started to work on a project until January. It became evident that it wasn't particularly functional, so I made the decision that I would, with Barbara George, proceed to pension on April 1, which I did—actually, April 2.

• (1800)

**Mr. David Sweet:** Do you mean April 2, 2004?

**Mr. Jim Ewanovich:** Yes, two months later.

**Mr. David Sweet:** So you were still on....

The lofty statement that you made earlier, though, was that you were accountable—

**Mr. Jim Ewanovich:** That's right; I stepped down from a very senior position.

**Mr. David Sweet:** You stayed in a paid position, though, with the RCMP. Is that correct?

**Mr. Jim Ewanovich:** And I retired April 1. That's right, but I stepped down from a very senior position, and quite frankly, that's a rather traumatic and difficult decision to make.

**Mr. David Sweet:** Mr. Zaccardelli, you testified that you had had a conversation with Fraser Macaulay and that he had told you that he knew for a long time about the irregularities in the pension fund. What was the date of that conversation you had with Mr. Macaulay?

**Mr. Giuliano Zaccardelli:** I don't recall the exact date, but it was the date that Barb George came to see me and said, "I think you should speak to Fraser. Do you want to speak to him about the pension issue?"

She brought him in. The three of us sat down, and then I went through the series of questions. One of the questions was, "How long have you known?" He said, "I've known for almost a year and a half."

"Why didn't you do anything about it?" He said, "I was concerned about my career, because Mr. Ewanovich was my boss."

**Mr. David Sweet:** This was the time when the audit had already been completed?

**Mr. Giuliano Zaccardelli:** Yes, this was after I had taken the decision, based on Mr. Lewis's complaints, to do the audit. The audit was already in progress. Subsequent to that, Chief Superintendent Macaulay sent me a correspondence on July 4, I believe, in which he reiterates that he shares my concerns for what's happened and he agrees with my decision to do an audit, which is somewhat contrary to the statement he made at this committee on March 28. Here he said, "...any reasonable person would have suspected criminal activity". So there seems to be inconsistency in what he says in the document that he sent to me and the document to the chief auditor, in which he supports the audit. As a matter of fact, in one of the documents he recommends that a second audit be done in order to get to the bottom of this. I totally agreed. We needed an audit to verify these allegations.

**Mr. David Sweet:** Speaking of that, Mr. Zaccardelli, the audit was to cover how long a period of time?

**Mr. Giuliano Zaccardelli:** The audit was based on the complaints that Mr. Lewis had made to me. Nepotism, contracts—

**Mr. David Sweet:** Just the terms of reference for this—

**Mr. Giuliano Zaccardelli:** No, it was to look at everything in—

**Mr. David Sweet:** For how many years, though?

**Mr. Giuliano Zaccardelli:** I don't believe it had a...actually, it was open-ended, because I wanted to get to the bottom of this. I made that the number one priority audit in the force that same day, and it was the day that Mr. Lewis came to see me.

**Mr. David Sweet:** Do you mean you don't recall the terms of reference, or you're not familiar with the terms of reference?

**Mr. Giuliano Zaccardelli:** I do have them here, if you'll give me a minute.

**Mr. David Sweet:** While you're looking for that, I have a question for Mr. Macaulay. The testimony now, if I'm doing the math correctly, is that sometime in mid-2001 you knew about these irregularities. Would that be an accurate statement?

**C/Supt Fraser Macaulay:** Absolutely not. May 28—the first time I ever had any inkling, was when Jim Ewanovich called me in P.E.I. I was at a CAC meeting, and he accused me of talking to Ron Lewis about his daughter's hiring. I came back and had the discussion with Denise, who was doing the A-base review. Up until then...I knew N2020 existed. Mr. Crupi has said in his opening statement that I was responsible for that budget. I was responsible for the HR budget, but was not allowed to deal with N2020.

**Mr. David Sweet:** It was Denise Revine, then, who alerted you initially to the irregularities?

**C/Supt Fraser Macaulay:** That's correct. And on July 4.... I will just read you the paragraph that's in my July 4 memo, which ex-commissioner Zaccardelli just referred to:

However, given your expressed concern and the obvious seriousness of this matter, I have since accelerated the A-Base review process with respect to the NCPC area. Having now had the opportunity to examine available information, I must say I share your concerns and can attest to the presence of numerous "red flags". The misuse of funds and the presence of nepotism are serious matters and as such, require immediate investigation and corrective action if deemed appropriate.

We agreed with this audit—to get the audit going—on June 17. By July 4, we had found so much—enough that under any given

circumstances, it was time to get to an investigation. As for the second audit, yes, we agreed and asked him about a second audit, and that was about the value for money, because at that end, we were now starting to see that there was no value for money in the outsourcing.

**Mr. David Sweet:** Mr. Chairman, I wonder if we could let Mr. Zaccardelli finish his answer.

These gentlemen are disciplined officers who are well trained to take notes, and I would ask that they produce their notebooks, for the time periods in which these discussions happened, forthwith to this committee, and we'll examine those notes to find out exactly what happened in these meetings that have been discussed, particularly between Mr. Macaulay and Mr. Zaccardelli.

● (1805)

**The Chair:** Let me ask.

Mr. Macaulay, do you have notes that you didn't tender before?

**C/Supt Fraser Macaulay:** Oh, I have my notebook. If you're talking about my personal notebooks, by all means, I'll tender them. I've tendered them five or six times in these investigations.

**The Chair:** Mr. Lewis, do you have a notebook?

**Mr. Ron Lewis:** All my documents were tabled initially.

**The Chair:** Mr. Zaccardelli, do you have anything to...?

**Mr. Giuliano Zaccardelli:** I do not have any notes other than the direction that I gave to the deputy, Gauvin, about starting the audit.

**The Chair:** Okay, so I'll ask Mr. Macaulay, then—

**Mr. David Sweet:** Mr. Chair, Mr. Zaccardelli testified that he had notes that were reminding him about meetings he had with Mr. Lewis. So it sounds as though he's used to taking crib notes to remind him of these meetings, and those are the ones I'd like to have tabled here forthwith.

**The Chair:** I'll question Mr. Zaccardelli.

Do you have any notes that he's referring to?

**Mr. Giuliano Zaccardelli:** To my recollection, I have no crib notes. What is in the file is that when I tried to summarize Mr. Lewis's complaint, I actually wrote it down and converted it into a memo to the auditors so that they would get going on it. That is the memo that I have. It's a summary of what I...and I will get it.

**The Chair:** And you can table that too?

**Mr. Giuliano Zaccardelli:** Yes.

**The Chair:** Okay, and you're going to table your notes, Mr. Macaulay.

**Mr. David Sweet:** Mr. Chair, if he had any officials who took notes on his behalf, then we would have those tabled forthwith as well.

**The Chair:** Mr. Etoke, make sure there's an understanding that Mr. Zaccardelli is asked to bring notes from any officials who were at these meetings.

Can you find out and get back to the clerk?

Okay, I think I've clarified that issue. There was a dangling question, though, that I think we left. I forget.

Mr. Zaccardelli.

**Mr. Giuliano Zaccardelli:** I think the question was what I requested in the audit, and there are three points. I said:

It has come to my attention that there are a number of rumours circulating at headquarters concerning the following: in Human Resources, there are funds coded to RO2020 that are being possibly used for purposes other than the management of the pension fund. Some of the funds that according to Treasury Board policies can only be used to manage the pension fund are being used to fund other human resource initiatives. Some of these funds may have been used to fund salaries for summer students, etc.

There have been concerns expressed that consultants who have been hired by compensation branch to manage the pension funds are being paid excessive remunerations and that members of some of the consultants' families have been hired by the force. Children of the Chief Human Resource Officer and the Officer in charge of the Compensation Branch may have been inappropriately hired whose salaries may have been paid out of RO2020.

Given the nature of this matter, please have your audit team conduct an audit of these matters as soon as possible so that we can get the facts related to this matter.

Those are my instructions, based upon Mr. Lewis's complaint to me, which I summarized that same day and gave that same day to my chief auditor.

**The Chair:** Thank you very much, Mr. Zaccardelli.

Ms. Sgro, you have five minutes, please.

**Hon. Judy Sgro:** I'm going to let Mr. Wrzesnewskyj lead.

**The Chair:** Mr. Wrzesnewskyj, you have five minutes.

**Mr. Borys Wrzesnewskyj:** Thank you, Ms. Sgro.

In the previous short round, I asked you, Mr. Zaccardelli, whether or not a former chief financial officer of the RCMP advised you that Deputy Commissioner Paul Gauvin had a book with a record of all requests you made to him that were improper and illegal, and that if he were to go down, he would take you with him. You just said that you don't have complete notes, but it appears that someone does have very complete notes.

You answered, when I asked the question, that you don't have a recollection of this. Would it help you if I were to say, to jog your memory, that it was former assistant commissioner and chief financial officer Gordon Clarke who brought this concern to you?

**Mr. Giuliano Zaccardelli:** I've had a number of discussions with Mr. Clarke over a number of things. He has come to see me on a number of issues. I don't have a specific recollection of that, but if you have some notes or something that would help me—

**Mr. Borys Wrzesnewskyj:** No, we're actually trying to find the notes you don't have, Mr. Zaccardelli, but—

**Mr. Giuliano Zaccardelli:** Wait a minute. Mr. Chair, I don't appreciate the implication here.

•(1810)

**Mr. Borys Wrzesnewskyj:** Mr. Zaccardelli, you're asking me a question. It's not your role to ask questions here.

**Mr. Giuliano Zaccardelli:** But I'm entitled to have a fair question asked of me so that I can properly answer it without being interrupted, sir, yet you've done that repeatedly. I've told you I do not have a specific recollection. If there is something that can help me recall that, please allow me to do so.

**Mr. Borys Wrzesnewskyj:** Chair, to help jog people's memory, perhaps in one of our future meetings we should call Gordon Clarke, the former assistant commissioner and chief financial officer, before this committee. I would think that with serious allegations of this sort, there would be recollections of that meeting.

**The Chair:** We'll deal with that later.

**Mr. Giuliano Zaccardelli:** Mr. Chair, it's totally inappropriate to make that type of comment in front of this committee. I am not being given an opportunity to respond. He's making allegations, and I have not been given an opportunity to respond properly without his interrupting. He has produced nothing for me to see that I can at least look at. He's saying somebody else has made an allegation, and I'm supposed to accept that because he says it is so. That is not the way any fair system works, sir.

**The Chair:** You have two minutes left, Mr. Wrzesnewskyj.

Ms. Sgro.

**Hon. Judy Sgro:** Mr. Zaccardelli, David Brown has been appointed by the government to look into these allegations. Do you know him?

**Mr. Giuliano Zaccardelli:** I have met him. I know him more by reputation than I do by knowing him personally. Obviously, I knew him principally as the head of the Ontario Securities Commission.

**Hon. Judy Sgro:** Have you had any previous dealings with Mr. Brown?

**Mr. Giuliano Zaccardelli:** We handled a lot of major criminal investigation files on which we worked with the Ontario Securities Commission, so there would have been that type of association. However, I don't recall our personally sitting down and talking about things. We may have, but my lawyer has already been in contact with him.

**Hon. Judy Sgro:** On the management style that we continue to hear criticized, were you involved in the day-to-day operations of running the RCMP?

**Mr. Giuliano Zaccardelli:** Of course. As the commissioner, I was responsible for the management of the RCMP, both under the act and under the direction of the minister. I knew a lot of things about what was going on. I tried to keep myself very informed about the important things. I did not know everything that was going on.

I was responsible to the minister and ultimately to Parliament, and I discharged that responsibility to the best of my ability. I did not see every document. I did not participate in every discussion that took place. But during my time as commissioner, I tried to inform myself to the best of my ability, and I acted based on that information.

As a matter of fact, when Mr. Lewis came to see me.... He actually didn't report to me, but because I knew he was concerned about certain things, I said he should come to see me. That's why we had a number of meetings. I never closed the door to anyone who had concerns, but once somebody made a concern known to me, I made the decision based on whatever was the best way to proceed. That's a management responsibility. That's the captain's responsibility.

Everybody has the right to raise an issue. How that issue is dealt with is left to the best judgment of the officer who is appropriately designated to respond to that, and I did that every time.

**Hon. Judy Sgro:** Thank you.

**The Chair:** Thank you very much, Ms. Sgro.

[Translation]

Mr. Lussier, you have five minutes.

**Mr. Marcel Lussier (Brossard—La Prairie, BQ):** Thank you, Mr. Chairman.

My question is for Mr. Zaccardelli.

Did you know about the mandate the Ontario Securities Commission gave to Mr. Brown? Were you informed of this mandate?

[English]

**Mr. Giuliano Zaccardelli:** I only know it by what was reported in the papers.

[Translation]

**Mr. Marcel Lussier:** Did you ask your lawyer to look into the nature of this review?

[English]

**Mr. Giuliano Zaccardelli:** As soon as we heard that he was appointed, I talked to my lawyer. My lawyer made contact with Mr. Brown's office, and we offered our complete and open collaboration. We are willing to see him as soon as he is available and provide whatever assistance we can so that he can discharge his mandate as given to him by the minister and the government.

[Translation]

**Mr. Marcel Lussier:** In the Globe and Mail it is described as an informal investigation. What does this mean to you, an informal investigation? Is it dangerous?

[English]

**Mr. Giuliano Zaccardelli:** I'm sorry, but I don't think I should be commenting on that. I don't know what the exact mandate is, so I will wait until we see the official mandate from Mr. Brown or whoever else contacts us about this matter. As I said, I will cooperate completely, as I've done with this committee.

[Translation]

**Mr. Marcel Lussier:** Mr. Zaccardelli, I would like to return back in time to the month of October 2000. Did you give Mr. Ewanovich a three year mandate? Was Mr. Ewanovich's first contract for three years?

• (1815)

[English]

**Mr. Giuliano Zaccardelli:** Mr. Ewanovich was found through a professional search agency that brought together five candidates for, I believe, an RCMP board. I was not involved in any way. The committee did not ask me what I wanted or what my preferences were. I did not participate in the committee. I did not influence or direct the committee to choose anyone in particular. When the decision was made, I did not know Mr. Ewanovich, but I approved the recommendation.

[Translation]

**Mr. Marcel Lussier:** My question is: What was the normal term of a contract given by you? Was a normal contract for a term of three years?

[English]

**Mr. Giuliano Zaccardelli:** I'm not certain of that. The human resources people who usually engage outsiders or people in the force would look at that. They would look after the details, and they would obviously negotiate that with the person who is being hired.

[Translation]

**Mr. Marcel Lussier:** In the document in front of me, it says that three months before the end of the contract you renewed it for another year. Is it normal to renew a mandate three months before the end of a contract?

Mr. Ewanovich, do you have any comments?

[English]

**Mr. Jim Ewanovich:** My contract was for four years, and I left after three and a half years. My contract was not extended after three years. It was always a four-year contract.

[Translation]

**Mr. Marcel Lussier:** So the documents in front of me are wrong?

[English]

**Mr. Jim Ewanovich:** I have an engagement document and a letter of offer signed by Garry Loepky. Is that the same document as you have?

[Translation]

**Mr. Marcel Lussier:** No.

[English]

**Mr. Jim Ewanovich:** The document I have is my actual letter of offer, which is for four years.

[Translation]

**Mr. Marcel Lussier:** Mr. Zaccardelli, is the performance bonus payable every year?

[English]

**Mr. Giuliano Zaccardelli:** First of all, the government or the Treasury Board has to give the authority, if I understand it correctly. I'm not an expert in this area, so I have to qualify that.

It is not a bonus. You have to earn it. If the government authorizes the pay of a bonus or pay at risk to be paid to the public service—the EX categories—then we, the people in the organization, make a determination on who is to be paid, based on their performance, and what amount they will get. I make that final decision.

[Translation]

**Mr. Marcel Lussier:** Mr. Crupi, could you table with us a document proving that you resigned your position?

[English]

**Mr. Dominic Crupi:** Yes.

[Translation]

**Mr. Marcel Lussier:** What is the date on this document?

[English]

**Mr. Dominic Crupi:** I couldn't tell you off the top of my head, but it was April or May 2005.

[Translation]

**Mr. Marcel Lussier:** How did Mr. Zaccardelli inform you that you were relieved of your duties on November 4, 2003, according to my documents? How were you notified?

[English]

**Mr. Dominic Crupi:** I don't know if the date is exact, because I seem to remember it having been later in November. I was asked to take administrative leave because they were looking at the issues that were being alleged.

[Translation]

**Le président:** Thank you very much.

[English]

Mr. Fitzpatrick, for five minutes.

**Mr. Brian Fitzpatrick:** I'll share my time with Mr. Lake. I just have a few questions that I wanted to catch before the witnesses are gone today.

This outsourcing and all the contracts that are going with the outsourcing are subject matters of much concern in themselves. It seems to me that we're back into passing checks between outfits that add little value to contracts. There's very little value. I'm sure this is what the Auditor General speaks to when she raises those issues, and we've heard these things before.

Mr. Crupi, did you have any direct dealings or personal dealings with Mr. Brazeau, who was involved with Consulting and Audit Canada?

**Mr. Dominic Crupi:** I knew Mr. Brazeau about 10 years ago when we worked in the same area, but not together. He resigned, and I had not seen him since. We were not friends or friendly or anything like that.

**Mr. Brian Fitzpatrick:** Did you, Mr. Ewanovich?

**Mr. Jim Ewanovich:** No.

**Mr. Brian Fitzpatrick:** Okay.

Another individual was in Abotech, which seemed to be in the middle of this cheque-passing game. There was a David Smith involved with that outfit. Did you have any direct dealings with or knowledge of that individual?

• (1820)

**Mr. Dominic Crupi:** No, sir.

**Mr. Brian Fitzpatrick:** Those are the questions I had. I'll turn the rest of my time over to Mr. Lake.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Mr. Zaccardelli, you said you take this pretty seriously. These are pretty serious allegations here. You also spoke a little bit earlier, and I sensed a little bit of a positive tone to your conversation about Mr. Macaulay and the fact that he was sent to what you termed “a very good job”. I'm wondering if he was asked what he thought of that job before he was sent there.

**Mr. Giuliano Zaccardelli:** No, he was not asked, because in my view...as a result of that discussion and based on his answers to me, I determined as commissioner that he had made a serious error in judgment in not reporting what he had known when he had said he had known it for almost a year and a half.

**Mr. Mike Lake:** Okay.

Mr. Macaulay, can you comment on that year and a half? Did you know for a year and a half?

**C/Supt Fraser Macaulay:** I didn't know for any year and—

**Mr. Mike Lake:** Okay, you didn't.

Let me ask you a question, Mr. Zaccardelli. You were very positive about Mr. Macaulay. It sounds like you think he made a mistake.

Now, on May 28 Mr. Lewis brought these allegations to your attention. On June 5, Mr. Lewis again made his formal written request to the commanding officer of A Division. On June 17—so now we're only three weeks later—Mr. Macaulay meets with you and brings forward pretty much the same allegations. On July 4, he sends a memo to you. In September, after his secondment, he meets with you again.

First of all, I'm curious—why would you send someone away who obviously had so much information regarding something that you deemed to be a very serious matter? I mean, he seems to be one of the few people who actually had the information you needed to get to the bottom of this.

**Mr. Giuliano Zaccardelli:** He did have the information; you're right. Denise Revine, as you've heard, also had a lot of the information—

**Mr. Mike Lake:** Then you got rid of her later. I'm sorry, someone else sent her away later.

**Mr. Giuliano Zaccardelli:** Excuse me. No. Please, let's get our facts straight here. I didn't get rid of anyone.

**Mr. Mike Lake:** Who did?

**Mr. Giuliano Zaccardelli:** Well, I do not know. That was a reorganization. My understanding, after I heard the testimony before this committee, was that there was a reorganization.

**Mr. Mike Lake:** I don't have much time here. Given the seriousness of the issue, and you just acknowledged that Denise Revine had some significant information as well, why would you even allow her to be let go? She's crucial to what you're trying to get to the bottom of.

**Mr. Giuliano Zaccardelli:** There are two points.

If you'll notice from the correspondence, both Chief Superintendent Macaulay and Ms. Revine provided documentation to support their concerns, so that was given to us. They then were spoken to by the auditor. The auditor spoke to them and so on to get the information from them. They weren't sent away so that nobody would speak to them; they were made available to the auditors and also to the Ottawa city police so that they could give the full information on what had taken place while they were there.

**Mr. Mike Lake:** To get to the bottom of it, though, as the leader of the organization in such a serious situation—forget who sent them away—why would you even allow them to be sent away?

The optics of this are really mysterious. These two people who had all of this information, and of course in their positions had access to the information, were removed from the positions from which they had access. You'd think the information they had and the access they had would be crucial for you to get to the bottom of this.

**Mr. Giuliano Zaccardelli:** It was crucial and it was made available to the auditors. I also needed to make some organizational changes; that's why I removed the two principal people who I believed as a result of the audit were responsible for many of the problems. They were removed.

Then I gave clear directions to make sure the financial processes were tightened up, the administrative processes. We needed a serious retooling of that whole area. In my judgment, the removal of Chief Superintendent Fraser Macaulay was part of that—not to punish him, but to reconstitute what should be done and improve it, and also to give him an opportunity to get out of there and to grow from there.

**Mr. Mike Lake:** I'm curious. What was more important in the RCMP at the time than the allegations that were being made?

Actually, I'm at the end of my time.

Mr. Macaulay, you haven't had much chance to comment on some of these things. I'd like you to comment on what you've heard today, if you could.

**C/Supt Fraser Macaulay:** Well, I can assure you that the reason for my removal was based on my coming forward. What ex-commissioner Zaccardelli is talking about is his understanding, again, of a conversation on June 17, where there was no discussion, and at no time did I ever say that I knew for any length of time, other than May 28.

In October, when I went back in to see him just before I left, and we sat in there, we actually had a very interesting conversation. I even asked him, why would you think I would lie to you? I've known you for almost 20 years; I've never lied to you before, and I've never lied to you all the way up until then. All I got in response was very similar to, "Well, you'll have a good career", the push of the garage door opener, and the door opens. And that's when you know it's time to leave. That's as simple as it was. I was removed because I came forward, period.

I went forward to the ethics adviser. The ethics adviser disclosed the stuff I had spoken to him about in the early, early stages to Mrs. George and to Vern White at an SMT meeting, because he..and I think it's maybe time we bring him in, because it's he who can then spell out why he told them what I went to the ethics adviser with, and then the next time, them taking me into the commissioner. It was not Fraser Macaulay going to the commissioner. I'm just getting going on gathering the evidence. That was the conversation I had with the ethics adviser. That is the conversation I had with Barb George, and she said, "No, you're coming in."

When I first went into the room on June 17, the first question the ex-commissioner asked Barb George was, "Is that other matter taken care of?", and she said, "It's on hold." I don't know what that means, but if you put in all the scenarios of where things are at, that's where

I linked it back to later finding out that Mr. Lewis had started the investigation.

● (1825)

**The Chair:** Thank you very much, Mr. Lake.

Thank you, Mr. Macaulay.

We only have time for one more. Mr. Christopherson.

**Mr. David Christopherson:** Thank you, Chair.

I'm still troubled by this business of whether or not a criminal investigation was actually started, because to me it speaks not only to the credibility of two key players in all of this, but also to whether it addresses the issue of the alleged cover-up.

If there was direction given and then it was changed—and the former commissioner is saying that's not what happened—then we have some bigger problems here. If not, then Mr. Lewis's testimony has to be questioned. One of you has to be questioned. It cannot be that you had a meeting and came out of there and a staff sergeant started a criminal investigation.

So my question would be to Mr. Zaccardelli. You said that somebody—you forget who—told you that Staff Sergeant Lewis was telling authorities in the RCMP that you were authorizing a criminal investigation. Given the time I was with the police community—

You're saying no. Well, let me finish my question, and you can clarify it, sir.

Given my time in the police community, insubordination is huge. It seems to me that if a staff sergeant came into a commissioner's office, had a meeting, and walked out of there and said, "The commissioner wants"—and then whatever you say after that—"done", and if it's not true, then the commissioner—you, as that commissioner—upon finding out about a staff sergeant who was starting a criminal investigation saying you wanted it when you didn't, would take action, I would think.

I'm curious as to why you didn't, Mr. Zaccardelli.

**Mr. Giuliano Zaccardelli:** Sir, I can only tell you what I did. When I got the information, I made a decision to order an audit. That was my decision, as the manager. Mr. Lewis was aware of that.

Of course, why would I order a criminal investigation when I've already made a decision? The fact is that I called A Division when I heard that they were starting a criminal investigation based on what Mr. Lewis had directed them to do. That, in my view, was inappropriate action on the part of—

**Mr. David Christopherson:** And why didn't you take action on that staff sergeant? A staff sergeant is pretty small in terms of the highest rankings there are. If somebody is going around saying the commissioner wants this, and things start happening, and you find out it's not true, you don't do anything about it, sir?

**Mr. Giuliano Zaccardelli:** Well, you know, that's part of what a leader does and what a manager does. He doesn't use the hammer on every situation. Every issue has to be looked at by itself.



I actually could have technically looked at Fraser's behaviour, at the time when we had the discussion and when he said to me that he had not disclosed anything for a year and a half, but I chose as the manager to do what I believed was the right thing to do.

With Mr. Lewis? Mr. Lewis, in my view, did the right thing when he came forward. He was a division rep. He's the person who digs out things and poses questions. I believed his action was inappropriate, but I was much more interested in getting to the bottom of this serious matter, not worrying about whether I was going to be able to take some minor sanction against somebody. I had a serious problem in how the fund that is responsible for the pensions of employees and veterans.... That was my focus, and that's what I determined.... That's what the captain of the ship does: he gets to the serious problem and solves that. The rest will look after itself.

I did not have any interest in going after Mr. Lewis, because he was doing his job by coming to me. But he made a mistake in judgment when he tried to get a criminal investigation. The organization had decided how this matter was going to be dealt with when I made that decision.

When I make that decision, everybody else has to fall in line. That's my position.

• (1830)

**Mr. David Christopherson:** Understood. Thank you very much.

Mr. Lewis, tell me, please, under oath, with as much detail as you can recall, what the conversation was in that office that led you to believe that you had a mandate from the Commissioner of the RCMP of Canada to go out and start a criminal investigation, when the former commissioner is sitting beside you saying it didn't happen. Please give me your recollection.

**Mr. Ron Lewis:** To frame what the situation is, you have to realize that I'd gone to him twice before. He failed to take action on complaints I made against Mr. Ewanovich.

There was another investigation, which is sometimes referred to here as the OPP investigation, that happened the same month. An assistant commissioner tried to notify the employees underneath him that they were committing criminal acts—conflict of interest guidelines—in violation of the code of conduct. The deputy commissioner in charge of him....

Okay, you have to understand the framework and why I go in and I put things on paper.

When he was removed from his position as assistant commissioner, Mr. Gauvin, his boss, sent out an e-mail—which I have here, and I'll table that too—chastising him for talking to his staff that way. He's told them not to do things that are criminal.

I sent information through our national executive to Mr. Zaccardelli in September of that year, 2001. Mr. Ewanovich was in the meeting. He chose to do nothing.

I went then to the formal process, which is A Division and Assistant Commissioner Dawson Hovey. I presented him with a formal written report, which is my obligation under the RCMP Act and my obligation as a member of the RCMP and a peace officer under the Criminal Code.

When I gave it to that assistant commissioner, who was responsible for discipline for headquarters, he dropped it down. He said, "I'm involved too." He resigned. There was an OPP investigation, and there were 19 people who either went through the criminal system and were convicted or internally were convicted. Two or three resigned. The rest of them got informal discipline, such as Mr. Ewanovich and Mr. Gauvin.

So when I go back in to him the third time, what do you expect I'm going to do? I'm going to write this down. I did. I have the memo. Do you think I'm crazy enough to go to the CO of A Division again and say, "Mr. Zaccardelli told me to go to see you", when he didn't?

**Mr. David Christopherson:** That's exactly what I'm having trouble with.

**Mr. Ron Lewis:** Then I followed it up on June 25, because he said he was going to do another investigation internally within a week. He didn't. It was 25 days, 30 days later—

**Mr. David Christopherson:** Tell me the words in the office, please. That's what I want to hear.

**Mr. Ron Lewis:** The words in the office were "Go see Gessie. Get a criminal investigation going." "Gessie" means Gessie Clément, the CO of A Division, the only person I'm allowed to go to under the act.

Then he said on the other matters, "I will get back to you within one week." That's why I called him on June 25 that same year and said—no, I sent an e-mail, which I've tabled, and I talked about our conversation in the first paragraph: We had a meeting on the 28th; you told me to do this; you told me you would get back to me within a week; you haven't gotten back to me; please let me know what's going on. It's 25 days later.

He called me the next morning. He said, "I'm going to get John Spice to do the investigation on the internal issues." In addition, he said, "Oh, by the way, I've stopped the investigation."

I couldn't believe it. I couldn't believe he had stopped the investigation, so I said, "What are you going to do?" He said, "I'm going to do an audit." Then I said, knowing the audit process, "If you find things that are improper, you'll have to go either internally or criminal." He said, "Justice will be done."

On the audit, Mr. Sweet asked a question that he never answered: what was the scope of the audit? The scope of the audit says—and it's in the audit of the RCMP—three years. They stopped after one year because they had enough to stop it and do a report that would invoke a criminal or internal investigation. He never did it. I had to go back in again through, I guess, coercion, threats, whatever you call it, and say that if nothing was done, I was going public, because I'm representing these members.

Nothing was done. He doesn't have a document saying that he ordered anything. I do. I have all the documents, written. He's read them; he's talked to me. He's never said anything, like "Why did you do that?" He had an opportunity on June 26 to say, "Why did you do that? I didn't tell you to do it." It's right in the memo. It's right in the e-mail. End of story.

**The Chair:** Thank you, Mr. Lewis.

Thank you, Mr. Christopherson.

That, colleagues and witnesses, concludes the hearing this afternoon.

I want to take this opportunity, on behalf of all the committee members, to thank you very much for being here. It's a very difficult

issue. A lot of you have been retired. You've been retired for years. I know you've put a lot of time and effort into trying to reconstruct the thing, so I want to thank you very much again.

The meeting is adjourned.

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