

JEAN BRAULT

9.1

Communication Agencies

In my opening statement delivered on May 7, 2004, I identified the questions which would be examined in Phase IB of the hearings of the Commission to be held in Montreal. Phase IA dealt with the Sponsorship Program and Advertising Activities of the Government of Canada from the point of view of their administration by public servants, according to the policies formulated by the political leaders of the Government. Phase IB intended to deal with the use of public funds once they had been disbursed by PWGSC, and with four related questions:

- whether the Government received value for the money disbursed;
- whether there was political influence on the distribution of funds;

- whether such political influence was related to political contributions or gifts made by the recipients or beneficiaries of the funds; and
- whether there were sufficient monitoring and financial controls over those funds, once disbursed.

Most of the witnesses who were questioned on these subjects were the proprietors, employees and representatives of the communication agencies engaged by PWGSC to manage or execute sponsorship or advertising contracts on behalf of the Government, followed by certain officers and employees of the Liberal Party of Canada (Quebec), referred to as LPCQ.

Dealing first with the communication agencies, the evidence made it apparent that those who were qualified to handle government business were not all treated in the same way. Only a few were awarded sponsorship contracts. Let us review briefly which agencies became qualified, and which of them received contracts.

In Joseph Charles Guité's memorandum to Andrée LaRose in early 1995, five agencies (Groupe Everest, BCP, Compass Communication, Palmer Jarvis, and Vickers & Benson), which had formerly been declared to be qualified to receive contracts from Heritage Canada, were arbitrarily declared to be qualified also to receive contracts from Public Works and Government Services Canada (PWGSC).¹

On July 6, 1995, a second group of agencies, identified as "Lafleur Communication Consortium" and composed of Compass Communication, Allard Communication-Marketing, Freeman Rodgers Battaglia, SKS Advertising and Communications Jean Lafleur, was added to this list of qualified suppliers.² In 1997 another ten agencies became qualified as suppliers of advertising services to PWGSC after what I have already qualified as a sham competition. They were Groupaction, Manifest Communications, Publicité Martin, Scott Thornley, Communication Coffin/SOS Communications, Gosselin et Associés, Freeman Rodgers Battaglia, Delta Media, Sparks Communications and Goodman Communications³.

In other words, a total of 18 agencies (Compass Communication and Freeman Rodgers Battaglia were qualified twice) were declared qualified to receive sponsorship contracts, although only five of them (Lafleur, Gosselin, Groupaction, Everest and Coffin) ever actually received a significant number of contracts from PWGSC.⁴ Those five agencies were, at one time or another, contributors to the Liberal Party of Canada, some with greater enthusiasm and generosity than others.⁵ One of them, the Gosselin agency, because of the political convictions of some of its employees and clients and because its owner, Gilles-André Gosselin, has a profound dislike of political involvement, became reluctant to make further political contributions to the Liberal Party of Canada,⁶ with the result that its share of sponsorship contracts was sharply diminished; this will be more fully described when we come to review the testimony of Mr. Gosselin.

The above paragraphs seem to indicate that the distribution of sponsorship contracts was, at least in some instances, related to political allegiance and affiliation. The five agencies that received business from PWGSC seemed to be viewed with greater favour by those making decisions about the awarding of sponsorship contracts than the 13 that received nothing. Mr. Chrétien, in his prepared statement to the Commission, declared openly that “separatist friendly” agencies, whatever that means, would not be viewed favourably when it came to awarding sponsorship contracts. He affirmed the following:

The Sponsorship Program was not partisan. It was not about the Liberal Party. It was about promoting the visibility of Canada in Quebec. A conventional wisdom had nonetheless been created about “Liberal friendly” advertising agencies.

We have to be very careful about labels. In Quebec, there are basically two types of advertising agencies; those who are “separatist friendly” and those who are “federalist friendly”.

“Federalist friendly” agencies tended to support the Conservatives when they were in power and the Liberals when they were in power. I do hope the Government of Canada used “federalist friendly” agencies to promote the visibility of Canada in Quebec, not because the agencies contributed to the Liberal

Party until we abolished corporate donations or contributions, but because the only alternative in practical terms was to use “separatist friendly” agencies to promote Canada.⁷

It may be assumed that Mr. Chrétien’s opinions carried great weight with his subordinates, including Mr. Guité and any others who had to participate in the making of decisions as to which agency to use for a particular sponsorship. One of the ways an agency could demonstrate that it was “federalist friendly” was by making contributions to the party in power. Certainly the agencies concerned believed that the political contributions they were making were one of the most important reasons why they were awarded sponsorship contracts.⁸ In particular, that was the opinion of Jean Brault of Groupaction, the most generous contributor.

Of the evidence given to the Commission by the representatives of the five favoured agencies, by far the most comprehensive and candid testimony came from Mr. Brault, who was at all relevant times the president, controlling shareholder and chief operating officer of the complex of corporations that will be described collectively in this Report as either Groupaction or Groupaction Marketing. The Commission accepts all of Mr. Brault’s evidence as credible. If his testimony was on occasion inexact, it was as a result of an involuntary error or a memory lapse rather than caused by an intention to mislead. As a result of his revelations and candour, the Commission was enabled to examine in detail his contributions, whether formal or irregular and whether freely offered or not, to persons acting in various capacities for the LPCQ.

Mr. Brault’s testimony also led the Commission to give particular attention to Groupaction’s transactions with a group of companies operated by Luc Lemay and under the name of Expour or Polygone, which benefited from sponsorships managed by Groupaction and obtained as a result of representations made by Jacques Corriveau. Mr. Corriveau’s reputation, his friendship with the Prime Minister and his position of influence within the LPCQ give reason to believe that these factors were used by him to further the interests of Mr. Lemay’s companies, as well as his own interests and the interests of the LPCQ.

The complicated web of interlocking relationships involving Groupaction, Mr. Lemay, Mr. Corriveau, certain persons within the LPCQ, and the Government of Canada is described in considerable detail in Mr. Brault's testimony over a period of six days.

But before summarizing his evidence, let us begin by explaining why I believe Mr. Brault to be a credible witness.

9.2 Credibility of Jean Brault

The key witnesses summoned to testify with respect to the administration of sponsorship contracts by the Lafleur and Gosselin agencies, who were questioned by counsel for the Commission before Mr. Brault was called to testify, chose to be forgetful, evasive and uncooperative when requested to provide details of their management of the events for which their agencies had been generously rewarded. Their testimony was replete with selective memory lapses and repeated instances of failure or inability to give clear and unequivocal answers to simple questions. Some of their answers were flatly contradicted by documentation, or simply made no sense. To avoid being unexpectedly confronted with documentation tending to show that their testimony was untrue, certain witnesses took care to study carefully each piece of paper put before them before answering any question, instead of answering spontaneously. What they said or refused to say, and their demeanour in general, left the Commission with the overwhelming impression that the representatives of the Lafleur and Gosselin agencies who had appeared before it had much to hide, and that they were prepared to disguise, distort or pretend to forget the truth, rather than to frankly disclose their conversations and agreements with the other persons, either at the political level or within the apparatus of government, with whom they had been dealing.

Mr. Brault provided a refreshing contrast to the sorry spectacle offered by the witnesses who preceded him. Generally speaking, he was frank and precise in his testimony. He willingly produced supporting documentation, where it exists, to corroborate his version of the meetings and conversations

he had with other persons. The Commission was especially assisted by the production of his agendas⁹ and the records that were maintained by his secretary of his telephone calls and messages.¹⁰ Many other witnesses were unable to explain convincingly why this kind of documentation could not be produced by them.¹¹ Mr. Brault made all such records available, the authenticity of which cannot be doubted.

In his testimony, Mr. Brault makes no attempt to evade his personal responsibility for the mismanagement of many of the sponsorship contracts which his agency handled. He frankly admits that Groupaction overcharged PWGSC in some cases,¹² and that he was motivated by ambition and by a desire for financial gain. He recognizes that the payment by Groupaction of sums of money to officers and representatives of the LPCQ, or the furnishing of employment to certain persons at its request, had as its objective the securing of additional sponsorship contracts from PWGSC.¹³ He does not suggest that he was motivated by political ideals and acknowledges that his contributions to the LPCQ were entirely cynical.¹⁴

It should be remembered that when he testified, Mr. Brault was facing criminal charges of fraud as a result of certain contracts awarded to Groupaction by Mr. Guité. Although Mr. Brault's testimony before the Commission could not be used against him in the criminal courts, counsel for the Commission nevertheless took care not to question him about the particular transactions in relation to which he had been accused. However, his testimony might be used against him in connection with civil proceedings threatened or commenced by the Government of Canada, which seek to recover from him and from others reimbursement of substantial sums allegedly overcharged by Groupaction or otherwise recoverable from it. Mr. Brault made no attempt to protect himself from the consequences of his testimony in other proceedings. It would have been easy for him, in the circumstances, to pretend that he remembers nothing, a tactic employed by other witnesses. Instead, he made a genuine effort to remember the details of events occurring over a period of nearly ten years.

Mr. Brault did not attempt to shield himself from the public embarrassment of having to admit that, once he had embarked on a policy to obtain contracts from the Government by purchasing political influence, he rapidly became the object of ever-increasing demands for gifts and political contributions of various kinds, and was called upon to disburse progressively greater sums of money to maintain the influence which he believed was directly related to the profitable contracts Groupaction was receiving.¹⁵ In the end, not only has his personal reputation been tarnished, but Groupaction has been financially ruined. These are not defeats to which an ambitious and formerly successful businessman likes to admit.

Having had the opportunity to observe Mr. Brault being examined and cross-examined for several days, I am satisfied that he is a fundamentally truthful witness who has decided to make a clean breast of it and to provide to the Commission a full and frank disclosure of what he knows and remembers about all aspects of his involvement in the Sponsorship Program. Many of his revelations, surprising when they were first described, were subsequently corroborated by other evidence. In some instances his testimony about certain events was contradicted by other witnesses, but in each such instance, after analysis of the contradictions, I came to the conclusion that Mr. Brault's version of the facts is more credible and that he is a more reliable witness than those who contradicted him.

9.3

Initial Government Contracts and Political Contributions

After graduating from university in 1976 with a degree in marketing, and after a few lean years, Mr. Brault and his wife, Joanne Archambault, founded Groupaction Marketing in the early 1980s and gradually built up a list of clients in the private sector¹⁶ who valued the services of Groupaction and its employees in the fields of advertising and public relations.

Following the election of a Liberal administration in 1993, Mr. Brault was interested in expanding his business by soliciting contracts for advertising services from the new government. He was encouraged in this ambition by

Alain Renaud, to whom he had been introduced by a mutual friend in 1991. Mr. Renaud was a young entrepreneur, a part owner of a printing business who wanted to sell his printing services to Mr. Brault and his clients. In this he was not successful, but the two men got to know each other and talked fairly often. In their conversations Mr. Renaud told Mr. Brault that he had cultivated valuable contacts with key public servants at PWGSC such as Mr. Guité and Andrée LaRose, and had also, by involving himself in political fundraising activities, become friends with persons in the upper echelons of the LPCQ. He felt he could exploit these contacts to obtain government business for Groupaction.¹⁷ Mr. Brault was prepared to participate in this business promotion, and an informal verbal agreement between them resulted: Groupaction would reimburse Mr. Renaud for the expenses he incurred in his attempts to obtain government business, but no salary or other remuneration would be paid to him until he produced results.¹⁸

In the meantime, Mr. Brault was pursuing his own attempts to obtain government business for Groupaction by more conventional means. He made several formal presentations, called “pitches” in the industry, to selection committees organized by the Advertising and Public Opinion Research Sector (APORS), by which the latter sought to qualify suppliers for various federal government departments and agencies. His presentations were successful on two occasions, and Groupaction obtained important contracts from the CRTC and the Department of Justice. The latter needed an agency to assist it with advertisements and publicity following the adoption of the Government’s firearms legislation. Mr. Brault says that Mr. Renaud had nothing to do with these ventures, but he acknowledges that Mr. Renaud arranged to introduce him to key players in the LPCQ and in government administration, and encouraged him to make himself better known to persons of influence.¹⁹

As examples of the contacts that Mr. Brault was making on the initiative of Mr. Renaud, he purchased tickets to attend various fundraising functions organized by the LPCQ, such as receptions, cocktail parties and golf tournaments. On these occasions, he was repeatedly told by senior officers of the Party, such as its successive executive directors Roger Légaré, Michel Béliveau and Benoît Corbeil, that Alain Renaud was much appreciated and

highly esteemed for the unpaid work he did for the Party.²⁰ He was also persuaded to join the Club Laurier, which meets about twice a year and gives its members the opportunity to shake hands with the Prime Minister. Groupaction paid the annual membership fees of \$1,000 each for Mr. Brault and Mr. Renaud.²¹

Mr. Brault attended the Molson Indy car race in Vancouver in September 1995, accompanied by Alain Renaud. Mr. Guité and Jean Carle were also in attendance.²² Mr. Brault had first met Mr. Carle in Ottawa about two weeks earlier. Mr. Renaud had arranged a meeting with him at the PMO at which they together made a “pitch,” extolling to Mr. Carle the qualities and capacities of Groupaction and plainly asking that it be given a share of government business. Mr. Carle, initially cold, seemed to become more receptive as the meeting went on and told them they should see Mr. Guité and Ms. LaRose at APORS, adding that the Government was like a superhighway with room for vehicles of all sizes.²³

At the Molson Indy in Vancouver, Mr. Brault learned from Mr. Guité, whom he had also met previously through the efforts of Mr. Renaud, that APORS administered a substantial budget used for subsidizing events such as the one they were attending. Mr. Guité explained to him that communication agencies were engaged by his organization to manage such events on behalf of the Government, and Mr. Brault understood that this could be a profitable area of activity for Groupaction in the future.²⁴ The word “sponsorship” was not yet in use.

In the spring of 1996, which we know was the period during which the Sponsorship Program was being planned at the highest levels, Mr. Brault had a series of meetings at which it was made plain to him that in order to obtain government contracts for sponsorship initiatives, Groupaction would have to make financial contributions of various kinds to the LPCQ. The first contribution was in the form of a series of payments made by Groupaction to a certain Serge Gosselin, at the request of Jacques Corriveau. These payments, which are the subject of highly contradictory testimony, came about in the following way according to Mr. Brault.

His agenda shows that on April 16, 1996, he had a meeting or a conversation with Jacques Corriveau, who would have asked him to engage the services of Serge Gosselin, a person totally unknown to Mr. Brault, and to pay him a salary of \$7,000 per month for a year.²⁵ At that time or later, Mr. Gosselin may have been working for the LPCQ, under Mr. Corriveau's direction, preparing documentation such as minutes, resolutions and supporting material for one of the Party's upcoming policy meetings.²⁶ Mr. Brault agreed to assume this very considerable expense, convinced that disbursements of this kind would be well compensated by sponsorship contracts, in spite of the fact that Mr. Gosselin never performed any work for Groupaction and did not even come to its offices.²⁷

Mr. Brault testifies that the arrangement to pay for the services rendered by Mr. Gosselin to the LPCQ was confirmed at a dinner meeting on April 25, 1996, which he hosted at the Club Saint Denis.²⁸ The dinner is recorded in Mr. Brault's agenda²⁹ (reproduced in Figure IX-1) and in the club's register, which confirms that six persons dined together that night.³⁰ Mr. Brault says they were Messrs. Corriveau, Guité, Corbeil, Renaud, Serge Gosselin and himself. What is particularly intriguing is the presence of Mr. Guité, because it establishes a direct link between the alleged payments to Gosselin by Groupaction, to the advantage of the LPCQ, and the public servant responsible for the sponsorship contracts that were later awarded to Groupaction. Mr. Corriveau claims that he has no recollection of this dinner meeting or of the arrangement concerning Mr. Gosselin,³¹ but Mr. Guité remembers the dinner well and confirms Mr. Brault's testimony about who was there. He specifically remembers the presence of Serge Gosselin.³² The Commission has no doubt that the dinner occurred, that the persons mentioned by Mr. Brault attended, and that they were there for the reasons and with the results described by Mr. Brault.

Figure IX-1: Jean Brault's agenda, April 22-25, 1996

LUNDI 22	MARDI 23	MERCREDI 24	JEUDI 25	VEI
(04) AVRIL	(04) AVRIL	(04) AVRIL	(04) AVRIL	
Dominante*	Dominante	Dominante	Dominante	Dominante
Tx: 113	Tx: 114	Tx: 115	Tx: 116*	
8	8	8	8	8
9	9	9	9	9
10	10	10	10	10
11	11	11	11	11
12	12	12	12	12
13	13	13	13	13
14	14	14	14	14
15	15	15	15	15
16	16	16	16	16
17	17	17	17	17
18	18	18	18	18
19	19	19	19	19
20	20	20	20	20
21	21	21	21	21
DIMANCHE 28	Dominante			
(04) AVRIL	CARDINALS			
Tx: 119	19835			

Handwritten notes and entries:

- LUNDI 22:** Marc Laguerre
- MARDI 23:** Bureau M. Martel, Samedi des Casinos? Loto - Québec 500 \$ heb. @ 15 \$ imp. 2 place; Jc; MAD 200; Chiffre Cardinal Place Bonastint; Diner Carter, Château Champlain; Monastère 23 Carol Rodoff
- MERCREDI 24:** Assemblée Central; Blocage après midi pour rencontre possible avec Carter (voir liste); Assemblée Annuel
- JEUDI 25:** René Chabot; J. Brault, Chèque Jacques; ALAIN R. Serge Gaudin; Club St Denis Salon 25; Jean Lambert Chèques; Argue de Subel

However, there is no documentary evidence of payments made by Groupaction directly to Serge Gosselin in 1996 or 1997. Mr. Gosselin flatly denies that he attended a meeting with Mr. Brault and the others at the Club Saint Denis in April 1996, or that he was paid sums of money during that year or in 1997 as related by Mr. Brault.³³ He acknowledges that he received \$42,500 plus taxes in 1999 and 2000 from Groupaction, which he alleges he earned for preparing three studies about voting patterns and polling results in the City of Longueuil, saying that two of the studies were commissioned by Alain Renaud on Groupaction's behalf and one in a brief meeting with Mr. Brault himself.³⁴ No one, including Mr. Gosselin himself, can explain why Groupaction would agree to pay for such studies.³⁵

Serge Gosselin says that he was working in 1996 in the office of the Honourable Stéphane Dion.³⁶ If this is so, it must be assumed that if he was ever reimbursed for his services rendered to the LPCQ by Groupaction, it was at the time that he started working full-time for the LPCQ in 1997, when it was preparing for the elections held in June of that year. In 1997 and perhaps before, he was working out of Mr. Corriveau's offices³⁷ and was probably being paid for his services by Mr. Corriveau's company, PluriDesign. It may be that payments made by Groupaction to Mr. Gosselin were routed through PluriDesign.

What is abundantly clear is that the LPCQ did not have the means to pay Mr. Gosselin for his services in 1996 and 1997,³⁸ and that some third party supplied whatever funds were paid to him. Mr. Gosselin gives the impression that he is not the sort of person to work for nothing. Mr. Brault says he was paid by Groupaction, and however and whenever the payments were made, the substance of his version is to be preferred to the denials by Serge Gosselin that he received sums of money from Groupaction prior to 1999. A reason to doubt Mr. Gosselin's denials—to be added to the improbability of his story about studies for the City of Longueuil and his denial that he attended the dinner at the Club Saint Denis in April 1996—is what he says about the flattering biography of Mr. Gagliano that he wrote in 1996 and 1997, which was published and presented to Mr. Gagliano in June 1997.

According to Mr. Gosselin, the biography was written by him on his own initiative and entirely gratuitously. He states unequivocally that he was not remunerated in any way for this work.³⁹ However, Joseph Morselli tells a different story. He testifies that a group of friends of Mr. Gagliano had contributed to a fund to finance the printing and publication of the biography, and that out of that fund Mr. Gosselin was paid the sum of \$6,000.⁴⁰ The Commission has no reason to doubt the truth of Mr. Morselli's testimony on this subject. **It must be concluded that on this question and generally, on matters having to do with sums of money paid to him, Mr. Serge Gosselin is not a reliable witness.**

Another reason why the Commission is inclined, even in the absence of documentary evidence of payments such as cancelled cheques or receipts, to believe Mr. Brault's testimony that he paid for Mr. Gosselin's services to the LPCQ, is because in two other instances Groupaction paid salaries at the request of the LPCQ to persons whom it would not otherwise have hired or remunerated. In each of these two instances, his testimony is well supported by documentary evidence. His agreement to look after the financial needs of Mr. Gosselin for the benefit of the LPCQ was therefore not an isolated instance of a political contribution in the form of sums paid someone as requested by the LPCQ, but part of a pattern of conduct.

The first of the two instances concerns John Welch who, over the years, has worked on behalf of the Liberal Party, both federally and provincially, in various capacities. Either Benoît Corbeil or Jacques Corriveau (Mr. Brault is not sure which, but Mr. Welch's testimony indicates that it was more likely Mr. Corbeil) asked Mr. Brault to give Mr. Welch employment for a year, starting in April 1999.⁴¹ At that time Mr. Welch was out of work and needed a salary from someone. Mr. Brault did not know Mr. Welch at all but agreed to look after him and supplied him with a small office in Groupaction's premises.⁴² Groupaction paid him a salary of \$7,000 per month for a year.⁴³ The only services he rendered in exchange was to represent Groupaction and Mr. Brault at various Liberal Party functions and fundraisers, although Mr. Welch testifies in a most convincing way that he was at all times ready and willing to do any work that Groupaction chose to assign to him.⁴⁴ The

simple fact is that his services were not needed by Groupaction, and that Mr. Corbeil, on behalf of the LPCQ, for whom Mr. Welch had worked diligently in the past, wanted to assure him a source of income, which Mr. Brault agreed to supply.

The second person put on the payroll by Groupaction was Maria-Lyne Chrétien, a niece of the Prime Minister, who was employed by one of Groupaction's subsidiaries for about eight months in 1998. She was paid an appropriate salary for the work she was doing. Mr. Corriveau had requested Mr. Brault to find her a job, saying she had worked previously for him. Mr. Brault considered that the request was more of a demand than a suggestion. I conclude that he probably would not have hired her if it had not been for Mr. Corriveau's "request."⁴⁵

Other indirect contributions to the LPCQ over the years when Groupaction was receiving sponsorship contracts from PWGSC may be more briefly described.

On three occasions Groupaction paid, as requested by Mr. Renaud, invoices addressed to the LPCQ by the Club de Golf de Verchères in the total amount of \$14,100. The evidence indicates that these amounts were due as a result of the annual fundraising golf tournament organized by Tony Mignacca, the chief political organizer for Mr. Gagliano.⁴⁶ Persons wishing to meet Mr. Gagliano and to contribute to his election and other expenses could purchase tickets to the golf tournament. The proceeds were deposited with the headquarters of the LPCQ, which paid all expenses including those of the golf club. By paying these invoices, the net proceeds raised by the event were increased by an equivalent amount. Mr. Brault further enhanced the profitability of the event by arranging for bottled water and soft drinks to be donated for consumption by the participants.⁴⁷

Other bills were sent to Groupaction by officials at the LPCQ, some of which Mr. Brault agreed to pay, while refusing others. Groupaction's accounting records show that it paid \$8,281.80 for a reception at the Restaurant La Tarentella,⁴⁸ for the benefit of the LPCQ, but that other invoices, such as

one from Avicor Construction for work contracted by Mr. Mignacca when the LPCQ relocated its offices, were refused.⁴⁹ Eventually the LPCQ paid Avicor itself. Similarly, Mr. Brault turned down several invoices due by the LPCQ presented to him by Mr. Morselli.⁵⁰

However, Mr. Brault was more accommodating when the request for payment came directly from Mr. Gagliano. In 1998 and 1999, a television production company named Productions Caméo, belonging to one Thalie Tremblay, was engaged by the LPCQ to film a series of interviews with Liberal Members of Parliament, to be broadcast on a community television network. The programs were called *Vos députés vous parlent*. Mr. Gagliano was very supportive of this project, and when the first invoices from Productions Caméo were received at his office, he had them paid out of his own budget. When four later invoices totalling \$45,837.47⁵¹ arrived, his Executive Assistant, Pierre Tremblay, asked Ms. Tremblay to redirect them to Groupaction for payment.⁵² Since Mr. Brault was unwilling to have Groupaction pay bills addressed to the LPCQ, he asked Ms. Tremblay to reword and address them to Groupaction.⁵³ She was puzzled by this request but agreed, and prepared new invoices which falsely described the services rendered as “Analyses, recherches et repérages projet video corporatif, Groupaction...”⁵⁴ With these modifications, Groupaction paid the invoices. Mr. Brault testifies that he was asked to do so either by Mr. Renaud, speaking on behalf of Benoît Corbeil, or by Mr. Corbeil himself.⁵⁵

Mr. Gagliano was questioned on this subject and testifies that he was unaware that his Executive Assistant had requested that the bills in question be sent to Groupaction.⁵⁶ He agrees that if he did, and Ms. Tremblay’s evidence on this subject appears to be irrefutable, it was entirely inappropriate.⁵⁷ It is most unlikely that Mr. Tremblay would have taken such an initiative without the authorization of his Minister, and that Mr. Gagliano, who saw to the payment of subsequent invoices from Productions Caméo from his office budget,⁵⁸ must have been aware that someone else had looked after earlier invoices. Mr. Tremblay died before testifying, and could not give his side of the story. Whether or not he acted with Mr. Gagliano’s authorization, Mr. Gagliano was responsible for him.

Regardless of who asked Groupaction to pay the invoices, someone in authority did and they represent a direct benefit to the LPCQ of \$45,837.47 from an agency that was receiving business from the Government.

In the autumn of 1998, Groupaction provided the use of a van to Gaëtano Manganiello, a full-time LPCQ worker who had put too much mileage on his own automobile, travelling to Sherbrooke in connection with the by-election campaign going on there. After the by-election, he asked Mr. Corbeil for help and was told he could pick up the keys to a Dodge Caravan from someone at Groupaction's offices. Mr. Manganiello used the van for at least six months, and when he left the employ of the LPCQ he turned it over to Jean Brisebois, another LPCQ worker who was being paid a salary, like Mr. Manganiello, by PluriDesign.⁵⁹

There is no evidence to establish the value conferred upon the LPCQ by Groupaction's loan of a vehicle to Messrs. Manganiello and Brisebois, but considering that the arrangement lasted at least six months and probably longer, and that the value of a van might be conservatively estimated at \$500 per month, the Commission evaluates this benefit conservatively at \$3,000.

9.4

Contract with Alain Renaud

Returning to the subject of Mr. Brault's relationship with Mr. Renaud, by mid-1996 it appeared probable that the latter was going to be able to assist Groupaction in obtaining government contracts. He was evidently on familiar terms with influential persons in the LPCQ, the most important of them being Mr. Corriveau, who was perceived not only by Mr. Brault but by almost everyone as a person who had contacts at the very highest levels.⁶⁰ Other important persons who obviously were favourably disposed towards Mr. Renaud were Michel Béliveau, the Executive Director at the Montreal Headquarters of the LPCQ in 1997, and his deputy, Benoît Corbeil, who succeeded Mr. Béliveau in that position in 1998.⁶¹

In 1996, Groupaction received its first contract from PWGSC having to do with sponsorships, as opposed to an advertising contract, and Mr. Brault

was satisfied that the time had come to reward Mr. Renaud for what were essentially lobbying activities, although Mr. Renaud was never registered with the Government of Canada as a lobbyist.⁶²

Starting on June 1, 1996, Groupaction began to pay Mr. Renaud's personal corporation, Investissements Alain Renaud Inc., \$7,143 per month plus taxes against invoices which incorrectly described the work done as "honoraires professionnels pour différents projets."⁶³ Groupaction continued to reimburse Mr. Renaud for his expenses⁶⁴ in spite of the fact that he consistently failed to justify them by receipts or vouchers. The expenses reimbursed to him by Groupaction in 1996 totalled \$16,135.74.⁶⁵ No written agreement confirmed this arrangement, which lasted until November 1, 1996, when the monthly payments to Investissements Alain Renaud Inc. were increased to \$8,500; however, concurrently with that increase, Groupaction stopped reimbursing Mr. Renaud for his expenses.⁶⁶

The parties confirmed their arrangement for the first time by a contract in writing dated September 3, 1997, by which it was agreed that Groupaction would pay 9004-8612 Quebec Inc., which had replaced Investissements Alain Renaud Inc. as Mr. Renaud's personal company, the amount of \$10,000 per month for two years, and would reimburse it as well for business expenses up to a maximum of \$30,000 per year. The contract foresees the payment of discretionary bonuses to Mr. Renaud's company in the event that Groupaction's billings exceeded certain scheduled levels.⁶⁷ As it turned out, substantial bonuses were paid, but there were disagreements between the parties about whether the bonuses paid truly reflected Groupaction's billings.⁶⁸ As will be seen later, these disagreements were part of the reason for the termination of the contract in 2000,⁶⁹ after it had been extended by a new contract for a third year. From April 1996 to September 2000, Groupaction paid Alain Renaud's personal companies a total of \$902,046 in the form of fees, expenses and bonuses, plus applicable taxes.⁷⁰

Obviously in 1997 the value of Mr. Renaud's services to Groupaction had increased, in spite of the fact that he almost never appeared at Groupaction's place of business and spent more of his time at the Headquarters of the

LPCQ.⁷¹ As appears from Table 68 of the Kroll Report, the value of the sponsorship contracts managed by Groupaction on behalf of PWGSC went from \$830,000 in 1996-97 to \$10,404,058 in 1997-98, and increased again in 1998-99 to \$14,809,305. The net revenues and profitability of Groupaction increased proportionately as appears from Tables 72 and 73 of the same Report, even taking into consideration the generous salaries and benefits paid to Mr. Brault and his wife as a cost of doing business.⁷²

Mr. Brault recognizes that the sudden avalanche of sponsorship contracts awarded to Groupaction in 1997 and in subsequent years was mostly attributable to the efforts he made, with the guidance and assistance of Mr. Renaud, to ingratiate himself with the LPCQ by the payment to it of contributions of various sorts.⁷³ He likes to think that the quality of his agency's work was also a reason why government business was directed to it, but he realistically acknowledges that the most important factor was the political connection and, above all, the contributions he was prepared to make to the LPCQ.⁷⁴

In addition to promoting Groupaction's relations with the officials of the LPCQ at its Headquarters in Montreal, Mr. Brault did not neglect elected officials in Ottawa. Mr. Renaud arranged for him to have dinner on July 8, 1996, in a restaurant in Hull with Mr. Gagliano and his Executive Assistant, Pierre Tremblay.⁷⁵ At that time Mr. Gagliano was the Minister of Labour, a key member of the Quebec Liberal caucus, and a force to be reckoned with in the LPCQ. Mr. Brault says that at their dinner Mr. Gagliano noted with appreciation the value of Mr. Renaud's work on behalf of the Party. In December 1996, Mr. Gagliano paid an impromptu visit to the Montreal offices of Groupaction.⁷⁶ On February 1, 1997 Mr. Renaud arranged for Groupaction to make a carefully prepared presentation of its capacities to the members of the political commission of the LPCQ, which included Mr. Gagliano, and was rewarded for its efforts by being invited to join a consortium of advertising agencies, including BCP and Groupe Everest, generally considered to be "Liberal friendly," to work with them for the LPCQ during the 1997 election campaign.⁷⁷

During the campaign Richard Boudreault, an employee and shareholder of Groupaction, wanted to work full-time for the consortium, and, on paper at least, took an unpaid leave of absence from Groupaction. In fact, he continued to receive his regular remuneration through the cooperation and assistance of Harel Drouin, a firm of chartered accountants that acted as Groupaction's external auditors. Harel Drouin sent monthly invoices to Groupaction for professional services that were not in fact rendered, upon receipt from Mr. Boudreault's personal corporation, Richard Boudreault Inc., of invoices, also false, to Harel Drouin for approximately equivalent amounts.⁷⁸ The payment of the invoices by Groupaction and by Harel Drouin permitted them to circumvent the provisions of the *Canada Elections Act*, which forbid anyone to furnish services to a political party during an election campaign for which they are remunerated by anyone other than the political party concerned. Any such remuneration constitutes an illegal campaign contribution since it is not recorded as an election expense.⁷⁹ The same provisions were again circumvented when Mr. Boudreault's company paid three supposedly volunteer election workers for their services during the election, on the basis of false invoices that were addressed to his company. Groupaction reimbursed Mr. Boudreault's company for these expenses, again on the basis of false invoices, in the sum of \$14,790.⁸⁰ Mr. Boudreault testifies that these transactions were handled by Groupaction's accountant, who looked after his bank account while he was absent for the duration of the election campaign.⁸¹

9.5

Cash Contributions to the Liberal Party of Canada (Quebec)

Mr. Brault testifies that Groupaction, in addition to what has already been described, made unrecorded cash contributions to the LPCQ on at least three occasions.

The first occurred in 1997, which, it should be recalled, was an election year. Mr. Brault says he was approached either by Mr. Renaud, Mr. Corriveau or Mr. Corbeil, speaking on behalf of the LPCQ, asking him for a donation of \$100,000. Mr. Brault preferred to make this donation in cash since he was negotiating with the J. Walter Thompson Agency, which was interested

in investing in Groupaction, and Mr. Brault did not want Groupaction's books to reflect excessive political contributions. However, he agreed to contribute \$50,000 in cash.⁸² This amount was remitted in two installments: the first of \$15,000 in the weeks immediately preceding the election, and the second of \$35,000 in the month of August.⁸³ To corroborate Mr. Brault's evidence, Bernard Michaud, the comptroller of Groupaction, testifies that Mr. Brault asked him to obtain \$15,000 in cash on April 28, 1997, by cashing a cheque drawn on Groupaction's account to Mr. Michaud's order. Mr. Michaud describes the incident in considerable detail, including the tax problem created by his apparent receipt of a cash advance from his employer. Eventually he was reimbursed by Groupaction for the income tax he had to pay as a result.⁸⁴ The \$15,000 in cash was turned over to Mr. Brault, who says that he delivered it in person to Mr. Renaud.⁸⁵

According to Mr. Brault, the balance of \$35,000 was also delivered in cash to Mr. Renaud and its receipt was later confirmed to him by Mr. Corbeil.⁸⁶ On Groupaction's books the \$35,000 cheque payable to Mr. Brault, which he cashed himself, was treated as a bonus.⁸⁷

Both Mr. Corbeil and Mr. Renaud deny that they received these payments.⁸⁸ The Commission does not consider that either of them is a reliable witness and accepts Mr. Brault's testimony. It is corroborated in part by the cancelled cheques which are evidence of the withdrawals from Groupaction's bank account,⁸⁹ and by the testimony of Mr. Michaud, in preference to their denials. It is also corroborated by the testimony of Michel Béliveau, who remembers receiving a contribution of \$50,000 from Groupaction at about that time.⁹⁰

In February 1998 Mr. Renaud approached Mr. Brault again, at the request of Mr. Béliveau, saying that the LPCQ was in dire financial straits and could not pay its rent and other bills. Mr. Brault was persuaded to have Groupaction remit to Mr. Renaud's company \$63,500 in payment of two false invoices, one for \$55,000 and another for \$8,500, which refer to services rendered that are pure inventions.⁹¹ The sum of \$63,500 was then paid by Mr. Renaud's company as a properly recorded political contribution to the LPCQ.⁹² Mr. Renaud, confronted by the documentary evidence of these

transactions, admits them.⁹³ In any event, there can be no doubt about the direct relationship between the sums paid by Groupaction to Mr. Renaud's company and the contribution by the latter to the LPCQ.

The third cash contribution was made in the autumn of 1998 when a by-election occurred in Sherbrooke, Quebec, to fill a vacancy in the House of Commons resulting from the decision of the Honourable Jean Charest to resign his seat to head the provincial Liberal Party. Mr. Renaud asked Mr. Brault for a contribution to assist in the payment of campaign expenses, and Mr. Brault gave him \$8,000 in cash.⁹⁴ Mr. Renaud acknowledges receiving this amount,⁹⁵ which was used to pay campaign workers. The contribution is also acknowledged by Mr. Béliveau.⁹⁶

Further contributions to the LPCQ were made by cheque, rather than in cash, but were disguised by using as an intermediary a corporation in Quebec City named Commando Communications, an inactive entity owned and controlled by one Bernard Thiboutot.⁹⁷ Mr. Thiboutot worked for Gosselin Communications as the head of its Quebec City office, but in the year 2000, when Groupaction's contributions were made, the assets of Gosselin Communications had already been purchased by Groupaction⁹⁸ and Mr. Thiboutot was in effect working for Mr. Brault. He was an active supporter of the LPCQ in the eastern Quebec region.⁹⁹

On January 6, 2000, and again on November 1, 2000, Commando invoiced Groupaction for \$10,000 for services rendered,¹⁰⁰ but according to Mr. Brault, these invoices and the cheques in payment of them are evidence of political contributions that he was asked to make, to pay unexplained expenses of the LPCQ in Quebec City.¹⁰¹ Mr. Thiboutot does not deny the payments or that they were paid to Commando as political contributions.

On October 1, 2000, Mr. Thiboutot sent a further false invoice to a Groupaction subsidiary for \$50,000, describing the services rendered by Commando as research and analysis.¹⁰² On October 13, 2000, only a short time before the federal election campaign commenced, the invoice was paid, and Mr. Thiboutot acknowledges that the proceeds were used to pay five

employees of the LPCQ for their work in the forthcoming election campaign. Each of the workers sent Commando an invoice for the amount received.¹⁰³

There is contradictory evidence about whether Mr. Brault knew the identity of the persons who were to receive these payments. He says he did not, but acknowledges that he may have transmitted a list of their names to Mr. Thiboutot, saying that the list would have been given to him by Mr. Corbeil, or perhaps by Mr. Corriveau. Obviously, Mr. Brault's recollection on this subject is not clear.¹⁰⁴ Mr. Corbeil testifies that he was the one who provided the list of names. Mr. Thiboutot says the names of the recipients were dictated to him by Mr. Brault, who did not want it to appear that he or one of his companies was making a political contribution.¹⁰⁵ It does not matter a great deal whose recollection is to be retained; what matters is that **an illegal and unrecorded campaign contribution of \$50,000 was made to the LPCQ by Groupaction by means of false invoices.**

9.6

Termination of the Renaud Contract

In September 2000, Groupaction and Alain Renaud came to a parting of the ways. Mr. Brault felt Groupaction was paying too much for Mr. Renaud's lobbying on its behalf, and the latter was unwilling to renegotiate their agreement. There was continuing friction over the calculation of Mr. Renaud's bonuses, and at about the time the contract came up for renewal, Mr. Renaud made a formal demand to have access to Groupaction's financial statements to verify the amounts upon which the bonuses were calculated.¹⁰⁶ Mr. Brault refused this demand but invited Mr. Renaud by letter to renegotiate their agreement, enclosing a cheque for \$25,000 as an advance.¹⁰⁷ In the weeks following he learned that the cheque had been cashed, but that Mr. Renaud had agreed to go to work for a competitor, the Armada Bates agency, for which he was trying to obtain sponsorship contracts from PWGSC.¹⁰⁸

Legal proceedings were threatened by the lawyers for both parties, but Messrs. Brault and Renaud remained in touch with each other and tried to find a solution to the impasse. They agreed to settle Mr. Renaud's claims

for bonuses for \$25,000.¹⁰⁹ The settlement was made with the cooperation of Communications Art Tellier Inc., a company belonging to Mr. Renaud's brother Benoît, which sent Groupaction five false invoices for a total of \$25,000.¹¹⁰ It may be presumed that this device was utilized by Mr. Renaud for tax purposes.

But the settlement did not foresee the future engagement of Mr. Renaud's services as a lobbyist by Groupaction. It had quickly become apparent to Mr. Renaud that he could not hope to earn as much with Armada Bates as he had been receiving from Groupaction, which had paid him more than \$900,000 as salary, commissions and bonuses in the years from 1996 to 2000, inclusively.¹¹¹ Although some of this amount had probably been remitted by Mr. Renaud by way of Mr. Corbeil as contributions to the LPCQ, there was no way he could hope to earn as much money representing another agency. Only a few months after leaving Groupaction, Mr. Renaud, without admitting it openly, clearly wished to be rehired, and brought pressure to bear upon Mr. Brault to achieve this objective, saying that Groupaction had made a mistake and should reconsider its position.¹¹² He was obviously disappointed that his pressure tactic of going to work for someone else had not succeeded in persuading Mr. Brault to pay him more rather than less. When testifying he was unable to disguise his vindictiveness, which he showed by describing Mr. Brault in extremely unflattering terms and by reinventing some of their exchanges after he had left Groupaction's service to make it appear that Mr. Brault was desperate to have him return.¹¹³

By this time, Groupaction had acquired two of the other agencies which were receiving sponsorship contracts from PWGSC. As of October 1, 1998, one of its subsidiaries purchased the assets of the Gosselin agency,¹¹⁴ and in January 2001 another subsidiary purchased Lafleur Communication.¹¹⁵ Both agencies continued to operate as more or less separate entities, but were owned and controlled by Groupaction. The acquisition of the Lafleur agency was stressful and may have contributed to a heart attack that incapacitated Mr. Brault for several weeks and left him in less than robust health.

During May 2001, at a time when he was still recuperating from his illness, Mr. Brault says that Mr. Renaud called him and proposed a dinner at the Restaurant Méditerranéo in Montreal.¹¹⁶ At the dinner, at which Mr. Renaud continually returned to the topic of being rehired by Groupaction, he received a call on his cell phone from Tony Mignacca, who was known to Mr. Brault as a member of the political entourage of Mr. Gagliano.¹¹⁷ With the benefit of hindsight it may be deduced that the phone call had been prearranged. Mr. Mignacca asked to speak to Mr. Brault, and asked him if he was going to agree to “look after” Mr. Renaud, mentioning that he had just finished dinner with the “choo-choo man,” which Mr. Brault took to refer to a senior executive of Via Rail, one of Groupaction’s most important clients. Mr. Mignacca then said he was coming to share a grappa with them. He arrived a short time later and openly pressured Mr. Brault to take Mr. Renaud back, intimating that if he did not, Groupaction’s contract with Via Rail would be in jeopardy. Mr. Brault, although he refused to give in to this thinly veiled threat, was upset and angry.¹¹⁸

Mr. Renaud denies that this encounter took place at all. He testifies that the only time the three were ever together in a restaurant was in 1999, when Mr. Mignacca joined him and Mr. Brault at the Restaurant Prima Luna, intending to put “a little pressure” on Mr. Brault to conclude a deal with Mr. Renaud.¹¹⁹ This assertion is improbable, because in 1999 there was already a contract in force between Groupaction and Mr. Renaud’s company. But there are more reasons to doubt the truthfulness of Mr. Renaud’s testimony when it is compared to Mr. Mignacca’s version of the encounter.

Mr. Mignacca is a lifelong close friend of Mr. Gagliano and Joe Morselli, with whom he was in partnership in the 1980s in a company named Migamor. Since 1971 Mr. Mignacca worked for the Jérôme Le Royer School Commission, of which both Mr. Gagliano and Mr. Morselli were president at one time or another. Starting in 1984, when Mr. Gagliano entered federal politics, Mr. Mignacca served as his chief political organizer at the constituency level for many years.¹²⁰

In 1996, Mr. Gagliano requested Mr. Mignacca to take a leave of absence from the school commission and to work full-time for the LPCQ at its headquarters in Montreal, as its regional coordinator. In this capacity he worked closely with Executive Director Michel Béliveau and his deputy Benoît Corbeil, and had frequent contacts with Mr. Renaud, who spent most of his time at the headquarters but had no clearly defined title or functions. They became friends.¹²¹

In October 1997 Mr. Mignacca had a heart attack and had to convalesce for more than two years, during which he was unable to do work of any kind.¹²² This means that Mr. Renaud's statement that he joined him and Mr. Brault for a meal in 1999 is probably untrue. When Mr. Mignacca recovered enough from his illness to seek employment, Mr. Gagliano got him a job working for Canada Lands Corporation, where he worked for about one year before retiring.¹²³

When questioned about the alleged encounter with Messrs. Renaud and Brault, Mr. Mignacca acknowledged that he had joined them after dinner at the Restaurant Méditerranéo (not the Restaurant Prima Luna), but said at first that this occurred in 1997, before his illness, conceding later that it might have happened after his recovery in 2000 or 2001.¹²⁴ He says that he was invited by Mr. Renaud to meet Mr. Brault, whom Mr. Renaud described as his boss, but could not explain why he would on the spur of the moment leave his dinner companion, whom he reluctantly identified as Mr. Morselli, at another restaurant, to meet someone for no apparent purpose.¹²⁵ He describes Mr. Brault as dressed like a biker who appeared to be drunk, and says that there was no conversation about Mr. Renaud's continued employment by Groupaction, or about any other subject of importance.¹²⁶ Mr. Mignacca denies that his presence there was to pressure Mr. Brault.¹²⁷ This denial and most of the rest of his testimony directly contradicts Mr. Renaud's version of the meeting. He says that he only learned about Mr. Renaud's wish to be rehired by Groupaction a few days or weeks later.¹²⁸

Mr. Mignacca gave the strong impression of being a witness who does not want to tell everything that he knows. His version of his meeting with Mr. Brault is improbable and confused, and serves only to contradict the version of the same meeting related by Mr. Renaud. I have no doubt that Mr. Brault's testimony about the encounter is truthful and accurate; his description of the details of the meeting could not have been invented except by a skilful dramatist. What it demonstrates is the influential position that Mr. Renaud had acquired within the LPCQ. It was evident from his testimony that Mr. Mignacca's first loyalty in political matters has always been to his close friend and patron, Mr. Gagliano. At the time he shared a grappa with Mr. Brault at the Restaurant Méditerranéo, Mr. Gagliano was the Quebec lieutenant of the Party, and when Mr. Mignacca attempted to pressure Mr. Brault into putting Mr. Renaud back on Groupaction's payroll, it is reasonable to deduce that he did so because he understood Mr. Gagliano wanted Groupaction to continue to be generous to Mr. Renaud, and through him to the LPCQ. It is improbable that Mr. Mignacca would have acted as he did only out of a somewhat tenuous friendship with Mr. Renaud.

9.7

Encounters with Joseph Morselli

Mr. Brault's agenda shows that either on April 25 or May 2, 2001, he had dinner at Restaurant Frank with Mr. Morselli.¹²⁹ The meeting had been arranged by Mr. Renaud.¹³⁰ Mr. Brault had met Mr. Morselli previously at Liberal Party functions, but this was the first time they had a one-on-one encounter.¹³¹

Mr. Brault says that at their meeting Mr. Morselli expressed the appreciation of the LPCQ for the past work of Mr. Renaud, its thanks for Groupaction's past contributions to the Party, and its hope that its generosity would continue.¹³² He offered his assistance to Groupaction in any way he could help.¹³³ He stated that he had assumed responsibility for the financing of the LPCQ, replacing Mr. Corriveau in that function, and gave Mr. Brault his business card, on which he was described as the Vice-President of the Finance Commission of the LPCQ.¹³⁴ (In fact, such a position does not exist.)¹³⁵ Mr. Morselli's testimony confirms the substance of the conversation, as recalled by Mr. Brault.¹³⁶

At a subsequent dinner meeting at Restaurant Frank,¹³⁷ Mr. Brault says that Mr. Morselli asked him to hire one of his former associates at the LPCQ, Beryl Wajzman, who had lost his employment there as the result of a conflict with the President of the LPCQ. Mr. Morselli described Mr. Wajzman as a valuable contact with the Jewish community in Montreal, and asked Mr. Brault to pay him a salary of \$10,000 per month so that he could continue his fundraising efforts on behalf of the LPCQ. Mr. Brault was unwilling to put Mr. Wajzman on his payroll, but proposed that he would pay him \$5,000 per month in cash, which Mr. Morselli accepted.

Mr. Brault says that he returned one week later to meet Messrs. Morselli and Wajzman at the same restaurant with \$5,000 cash in an envelope, which he left on the table. Mr. Wajzman arrived late, and when Mr. Brault went to the washroom, on his return he noticed the envelope was gone.¹³⁸

Both Mr. Morselli and Mr. Wajzman testify that the meeting took place at the time and place given by Mr. Brault, but both deny that any exchange of money occurred. They both testify that the object of the meeting was to confirm the engagement of Mr. Wajzman by Groupaction, which wished to hire him to obtain business contacts within the circle of Mr. Wajzman's friends. It is most improbable that Groupaction would have been interested in the kind of contacts Mr. Wajzman, whom Mr. Brault had never met, could offer. Moreover, some aspects of the versions of the meeting given by Messrs. Morselli and Wajzman do not correspond. For example, Mr. Wajzman testifies that when Mr. Brault went to the washroom, he said to Mr. Morselli that he could never convince his friends and clients to do business with him because of his haircut, moustache and general appearance. Mr. Morselli has no recollection of this detail, nor does he remember that Mr. Wajzman said that he refused to be hired for less than \$10,000 a month, although he had agreed to work for the LPCQ for half that amount.¹³⁹

In general, Mr. Wajzman was a very poor witness, and gave the impression that he was more interested in boasting about his own importance and in attacking the credibility of everyone who disagrees with him than in telling the truth. He had been engaged by Mr. Morselli, with the encouragement of Mr. Gagliano, to assist in fundraising for the LPCQ, but the methods

he employed were not acceptable to its new Executive Director, Daniel Dezainde, who had the support of the President of the LPCQ, Françoise Patry.¹⁴⁰ When Mr. Dezainde tried to assert his authority, Mr. Wajzman's reaction was to refuse to report to him on any of his activities, which he justified when testifying by calling Mr. Dezainde a racist.¹⁴¹ Mr. Dezainde came to the conclusion, with the full concurrence of Ms. Patry, that the only solution to the problem was to dismiss Mr. Wajzman, but in so doing he earned the unrelenting hostility not only of Mr. Wajzman but of Mr. Morselli.¹⁴² The antagonism of Mr. Wajzman towards Mr. Dezainde, his anger at having been dismissed by him, his unqualified support and friendship of Mr. Morselli, and his undisguised contempt for Mr. Brault make his testimony most doubtful.

Mr. Morselli does not come across as a biased witness in the same way that Mr. Wajzman does, but his attempt to usurp the functions of Mr. Dezainde, with the blessing of Mr. Gagliano, does not make him a sympathetic figure. He is disarmingly frank at times. For example, although he denies Mr. Brault's allegations that \$5,000 per month in cash was paid for several months by Mr. Brault to Mr. Wajzman,¹⁴³ he cheerfully admits that on one occasion he picked up an envelope containing \$5,000 from Groupaction's offices and kept the contents for himself, although he knew that the envelope was supposed to be delivered to Mr. Corbeil to assist him with his election campaign expenses at the municipal level.¹⁴⁴ That admission establishes that on one occasion at least, Mr. Morselli participated in the delivery of a cash contribution for political purposes by Groupaction. In other words, he had no compunction about irregularities of this kind. It also establishes that the immorality of appropriating the property of another is of little concern to him. The testimony of such a person when it conflicts with testimony from a basically credible witness is not acceptable. The testimony of Mr. Brault concerning this and other encounters he had with Mr. Morselli is to be preferred to Mr. Morselli's denials.

Their subsequent dealings had to do with Groupaction's contracts with PWGSC on behalf of the Department of Justice, with respect to the Government's advertising activities relating to firearms legislation. Groupaction had been working on the contract since it was first awarded in 1995 to a

consortium headed by the Lafleur agency, but including Groupaction. Some of the Groupaction personnel depended for their livelihood on its continuation. Mr. Brault was alarmed in the summer of 2001 to learn that PWGSC was preparing a call for tenders for the future advertising needs of the Department of Justice relating to the firearms file.¹⁴⁵ He knew that the usual outcome of such a call for tenders is to replace the agency which until then had been looking after the matter.

Remembering Mr. Morselli's offer when they first met—to help Groupaction as needed, in recognition of its past contributions to the LPCQ—Mr. Brault called him to propose that if he could successfully intervene to have the call for tenders cancelled or postponed, it would be worth \$100,000 to him from Groupaction. Mr. Morselli, according to Mr. Brault, said he would look into it.¹⁴⁶

A few days later, on September 26, 2001, Mr. Morselli asked Mr. Brault to come to his office in Ville d'Anjou and on his arrival told him that his problem was solved and that he did not need to worry about a new call for tenders. He asked for payment of \$100,000. Mr. Brault said he would have to pay in two instalments of \$50,000 in the autumn of 2001 and on April 1, 2002. The delay would enable him to confirm that Mr. Morselli had in fact intervened, and that his intervention had been successful.¹⁴⁷ Subsequently, Mr. Brault was informed by Pierre Tremblay at PWGSC that the call for tenders had been postponed to the spring of 2002. Mr. Morselli denies having intervened with anyone on Mr. Brault's behalf.¹⁴⁸ However, Mr. Brault's story explains the Auditor General's observations that the competitive process commenced in mid-1999 to choose an advertising agency for the Department of Justice was "halted without explanation" and the services of Groupaction were retained. We are now able to deduce that the missing explanation might well be related to an intervention by Mr. Morselli which Mr. Brault asked him to make.

Accordingly, Mr. Brault says that he gave \$50,000 in cash to Mr. Morselli before the end of 2001 by a series of deliveries, details of which he does not provide. However, he remembers specifically one delivery of \$20,000 or \$25,000 on the occasion of the LPCQ Christmas cocktail party at the Buffet Le Rizz, on December 20, 2001.¹⁴⁹

Mr. Brault recalls two other encounters with Mr. Morselli. The first occurred in the spring of 2002, when the first Report of the Auditor General had turned the spotlight of public attention onto the relationship between Groupaction and PWGSC. Mr. Brault invited Mr. Morselli to a private salon at the Club Saint Denis and took the precaution to raise the thermostat to make the salon so warm that Mr. Morselli could be persuaded to remove his jacket. Mr. Brault was concerned that their conversation might be recorded by a body pack. When Mr. Morselli arrived he advised Mr. Brault to lie low and let the media storm pass, and asked him if he wanted “Denis” to intervene on his behalf. Mr. Brault believed he was referring to Denis Coderre.¹⁵⁰

The second encounter was in August 2002 at the Restaurant La Samaritaine, at the request of Mr. Renaud, who was present. After an exchange of pleasantries, Mr. Morselli asked Mr. Brault for the second instalment of \$50,000. Mr. Brault was surprised that he would openly do so in the presence of a third party, and said that the losses he had incurred as a result of the publicity surrounding the Auditor General’s first Report made it impossible for him to pay.¹⁵¹

Both Messrs. Morselli and Renaud deny that this meeting took place.¹⁵² Of course Mr. Morselli has strong motivations to deny any involvement in the payment of a Liberal Party official for his influence in a call for tenders. Once again, Mr. Brault’s testimony is more credible in that he has nothing to gain by lying and is generally a more believable witness than they are.

9.8

Conclusion

As detailed in section I0.3 of the Kroll Report, between the 1996-97 and 2001-02 fiscal years Groupaction and its subsidiaries managed sponsorship contracts for PWGSC having a total value of \$89.5 million, increasing Groupaction’s gross revenues from \$11.4 million in 1994, before it started to receive any significant amount of government business, to over \$40 million per year in 2001. The net revenues increased from \$314,078 in 1994 to \$1,468,745 in 1999, declining to \$879,222 in 2001. Most of

these increases were due to the Sponsorship Program. During the years from 1992 to 2001 inclusively, Mr. Brault and his wife drew salaries totalling \$3,906,104 and received dividends of \$2.7 million.

During those same years, Groupaction made recorded political contributions of \$170,854 to the Liberal Party of Canada. It also made unrecorded contributions, as detailed in this chapter, in the following amounts:

Salary of John Welch	\$84,000
Commando Communication	70,000
Paid to Serge Gosselin	84,000
Productions Caméo	39,850
Richard Boudreault via Harel, Drouin	24,975
Gestions Richard B. Boudreault	14,790
Club de Golf de Verchères	14,100
Restaurant La Tarentella	8,282
Cash contribution in 1997	50,000
Contribution via Alain Renaud	63,500
Cash contribution in 1998 (Sherbrooke)	8,000
Beryl Wajzman	5,000
Loan of van to G. Manganiello	3,000
Total	<u>\$469,497</u>

In addition, Groupaction paid other amounts to the personal company of Alain Renaud in exchange for his political lobbying. It may be that some of the amounts so paid were turned over to the LPCQ, but the evidence does not establish this with sufficient precision to enable me to draw that conclusion.

Sums paid by Groupaction to PluriDesign constitute additional contributions to the LPCQ and will be dealt with in Chapter X.

There is no indication that the amount of \$50,000 paid by Mr. Brault to Joseph Morselli for his influence in postponing a call for tenders was remitted to the LPCQ or directly benefited it in any way. Probably what he received was retained by Mr. Morselli in the same way that he retained the \$5,000 from the Groupaction envelope that was intended to assist in paying Benoît Corbeil's municipal election expenses.

Mr. Brault testified, and his evidence is amply corroborated by documentation, that Groupaction paid Groupe Everest the sum of \$50,000 in November 1998.¹⁵³ He says that this payment, supported once again by a false invoice, was made as a political contribution to the Liberal Party of Quebec, at the request of Mr. Guité.¹⁵⁴ Claude Boulay, the head of Groupe Everest, denies this and alleges that this sum of money was due to his agency as the result of a real estate transaction.¹⁵⁵ If this is so, it was well disguised by the invoice reading, "Honoraires de développement pour la collaboration de projets spéciaux."¹⁵⁶ If Mr. Boulay wishes to be credible, he should not have prepared and sent a phony invoice to the competitor with whom he was doing business. The invoice is also suspect because Groupe Everest is not entitled to bill for taxes on an invoice for the balance of the price of a real estate purchase. For these reasons, the Commission chooses to believe Mr. Brault's explanation of this transaction.

However, it was not Mr. Brault's intention that the payment of \$50,000 be transmitted to the LPCQ, and it therefore had no relationship to the issuance of sponsorship contracts. In other words, this payment is not within the mandate of the Commission.

Similarly, sums of money paid by Groupaction to Georges Farrah (\$6,000), Au Printemps Gourmet (\$5,168) and Gabriel Chrétien (\$4,000) were not, according to the evidence,¹⁵⁷ related to the subject of this Inquiry.

The recorded contributions of Groupaction to the LPCQ totalling \$170,854¹⁵⁸ were in accordance with the law and may not be criticized. At the time they were made, there were no restrictions on the amounts Canadian

corporations could donate to political parties. The unrecorded contributions are blameworthy, and deserve to be denounced. They were inspired by Mr. Brault's greed and desire for financial gain, which he believed could be achieved by the purchase of political influence resulting in a greater number of lucrative sponsorship contracts being given to Groupaction. These motives were improper. The behaviour of the representatives of the LPCQ who requested and encouraged Mr. Brault to make these surreptitious contributions and who fostered his belief that they were achieving the purpose he desired was equally improper and blameworthy.

Endnotes to Chapter IX

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- ¹ Exhibit P-19, tab 20.
 - ² Exhibit P-19, tabs 25-26; Exhibit P-62, pp. 6-7.
 - ³ Exhibit P-19, tab 41.
 - ⁴ Exhibit P-428(D), schedules I4-I6.
 - ⁵ Exhibit P-428(A), p. 37.
 - ⁶ Testimony of Mr. Gosselin, Transcripts vol. 83, pp. I4817-I4823 (OF), pp. I4808- I4814 (E).
 - ⁷ Testimony of Mr. Chrétien, Transcripts vol. 72, pp. I2516-I2517 (OE), pp. I2518-I2519 (F).
 - ⁸ Testimony of Mr. Coffin, Transcripts vol. I06, pp. I9386-I9389 (OE), pp. I9396-I9400 (F); Testimony of Mr. Gilles Gosselin, Transcripts vol. 88 (Part I of 2), pp. I5504-I5507 (OF), pp. I5502-I5505 (E); Testimony of Mr. Brault, Transcripts vol. 89, pp. I5741-I5742, I5748, I5832 (OF), pp. I5738-I5739, I5744, I5821 (E).
 - ⁹ Exhibit C-295.
 - ¹⁰ Exhibits C-293(A) and C-293(B).
 - ¹¹ Testimony of Mr. Jean Lafleur, Transcripts vol. 79, pp. I3830-I3831 (OF), pp. I3825-I3827 (E); Testimony of Mr. Thiboutot, Transcripts vol. 85, p. I5124 (OF), pp. I5137-I5138 (E); Testimony of Mr. Corriveau, Transcripts vol. 99, p. I7834 (OF), p. I7815 (E); Testimony of Mr. Renaud, Transcripts vol. 96, pp. I7089-I7090 (OF), pp. I7080-I7081 (E).
 - ¹² Testimony of Mr. Brault, Transcripts vol. 92, pp. I6212-I6219 (OF), pp. I6211-I6216 (E).
 - ¹³ Testimony of Mr. Brault, Transcripts vol. 89, pp. I5849-I5850 (OF), pp. I5836-I5838 (E).
 - ¹⁴ Testimony of Mr. Brault, Transcripts vol. 89, pp. I5727, I5850 (OF), pp. I5724-I5725, I5837 (E).
 - ¹⁵ Testimony of Mr. Brault, Transcripts vol. 89, p. I5832 (OF), p. I5821 (E).
 - ¹⁶ Testimony of Mr. Brault, Transcripts vol. 88, pp. I5620-I5622 (OF), pp. I5621-I5622 (E).
 - ¹⁷ Testimony of Mr. Brault, Transcripts vol. 88, pp. I5645-I5646 (OF), pp. I5643-I5644 (E).
 - ¹⁸ Testimony of Mr. Brault, Transcripts vol. 88, pp. I5642-I5643 (OF), pp. I5640-I5641 (E).
 - ¹⁹ Testimony of Mr. Brault, Transcripts vol. 88, pp. I5646-I5648, I5650, I5653-I5654 (OF), pp. I5644-I5646, I5647-I5648, I5650-I5651 (E).
 - ²⁰ Testimony of Mr. Brault, Transcripts vol. 92, pp. I6321-I6324 (OF), pp. I6310-I6314 (E).
 - ²¹ Testimony of Mr. Brault, Transcripts vol. 89, pp. I5721-I5724 (OF), pp. I5719-I5722 (E).
 - ²² Testimony of Mr. Brault, Transcripts vol. 88, pp. I5695-I5697 (OF), pp. I5688-I5690 (E).
 - ²³ Testimony of Mr. Brault, Transcripts vol. 88, pp. I5692-I5696 (OF), pp. I5685-I5689 (E).
 - ²⁴ Testimony of Mr. Brault, Transcripts vol. 88, pp. I5696-I5700 (OF), pp. I5688-I5692 (E).
 - ²⁵ Testimony of Mr. Brault, Transcripts vol. 89, pp. I5740-I5744 (OF), pp. I5736-I5742 (E).
 - ²⁶ Testimony of Mr. Serge Gosselin, Transcripts vol. I13, pp. 20743-20749 (OF), pp. 20741-20746 (E).
 - ²⁷ Testimony of Mr. Brault, Transcripts vol. 89, pp. I5743, I5748 (OF), pp. I5740, I5744 (E).

- ²⁸ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15745-15748 (OF), pp. 15741-15744 (E).
- ²⁹ Exhibit C-295, p. 7.
- ³⁰ Exhibit C-295, p. 22.
- ³¹ Testimony of Mr. Corriveau, Transcripts vol. 99, pp. 17834-17836 (OF), pp. 17815-17817 (E).
- ³² Testimony of Mr. Guité, Transcripts vol. 109, pp. 19899-19908 (OE), pp. 19906-19915 (E).
- ³³ Testimony of Mr. Serge Gosselin, Transcripts vol. 113, pp. 20755-20766 (OF), pp. 20752-20761 (E).
- ³⁴ Testimony of Mr. Serge Gosselin, Transcripts vol. 113, pp. 20759-20764, 20768-20771, 20788-20791 (OF), pp. 20755-20760, 20763-20766, 20782-20785 (E); Exhibit P-387, pp. 23-25, 28-29, 31, 51-52.
- ³⁵ Testimony of Mr. Serge Gosselin, Transcripts vol. 113, p. 20764 (OF), pp. 20759-20760 (E).
- ³⁶ Testimony of Mr. Serge Gosselin, Transcripts vol. 113, pp. 20773-20774 (OF), pp. 20768-20769 (E).
- ³⁷ Testimony of Mr. Serge Gosselin, Transcripts vol. 113, pp. 20743-20749 (OF), pp. 20741-20746 (E).
- ³⁸ Testimony of Mr. Corbeil, Transcripts vol. 115, p. 21186 (OF), p. 21181 (E).
- ³⁹ Testimony of Mr. Serge Gosselin, Transcripts vol. 113, pp. 20775-20781 (OF), pp. 20770-20775 (E).
- ⁴⁰ Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23863-23869 (OF), pp. 23861-23866 (E).
- ⁴¹ Testimony of Mr. Brault, Transcripts vol. 89, p. 15753 (OF), pp. 15748-15749; Testimony of Mr. Welch, Transcripts vol. 119, pp. 22388-22390 (OE), pp. 22399-22400 (F).
- ⁴² Testimony of Mr. Brault, Transcripts vol. 89, pp. 15752-15755 (OF), pp. 15748-15750 (E).
- ⁴³ Exhibit C-299, p. 95; Exhibit P-428(A), p. 119.
- ⁴⁴ Testimony of Mr. Welch, Transcripts vol. 119, pp. 22391-22400 (OE), pp. 22401-22411 (F).
- ⁴⁵ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15756-15757 (OF), pp. 15751-15752 (E).
- ⁴⁶ Exhibit C-299, p. 179; Exhibit P-404, pp. 55, 57.
- ⁴⁷ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15862-15863 (OF), p. 15849 (E); Exhibit C-293(A), p. 125.
- ⁴⁸ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15947-15949 (OF), pp. 15943-15945 (E); Exhibit C-299, p. 181.
- ⁴⁹ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15949-15950 (OF), pp. 15945-15946 (E).
- ⁵⁰ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15949-15951 (OF), pp. 15945-15948 (E).
- ⁵¹ Exhibit P-386, pp. 1, 13, 16, 18, 21-22.
- ⁵² Testimony of Ms. Tremblay, Transcripts vol. 112, pp. 20712-20717 (OF), pp. 20707-20711 (E).
- ⁵³ Testimony of Mr. Brault, Transcripts vol. 89, p. 15834 (OF), pp. 15822-15823 (E).
- ⁵⁴ Exhibit P-386, pp. 14, 16, 18, 21.
- ⁵⁵ Testimony of Mr. Brault, Transcripts vol. 89, p. 15831 (OF), p. 15820 (E).
- ⁵⁶ Testimony of Mr. Gagliano, Transcripts vol. 131, pp. 24989-24994 (OF), pp. 24981-24986 (E).
- ⁵⁷ Testimony of Mr. Gagliano, Transcripts vol. 131, pp. 24993-24994 (OF), pp. 24985-24986 (E).
- ⁵⁸ Remarks by Mr. Roy, and testimony of Mr. Gagliano, Transcripts vol. 131, pp. 24991-24992 (OF), pp. 24983-24984 (E); Exhibit P-386, pp. 23-31.
- ⁵⁹ Testimony of Mr. Manganiello, vol. 126, pp. 23810-23817 (OE), pp. 23822-23830 (F).
- ⁶⁰ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15760-15761 (OF), pp. 15755-15756 (E); Testimony of Mr. Guité, Transcripts vol. 109, p. 19855 (OE), p. 19857 (F).

- ⁶¹ See, for example, testimony of Mr. Brault, Transcripts vol. 92, pp. 16321-16324 (OF), pp. 16311-16314 (E).
- ⁶² Testimony of Mr. Renaud, Transcripts vol. 96, p. 17149 (OF), pp. 17136-17137 (E).
- ⁶³ Testimony of Mr. Brault, Transcripts vol. 88, p. 15674 (OF), p. 15669 (E); Exhibit C-297, pp. 16-18.
- ⁶⁴ Exhibit C-297, pp. 20-24.
- ⁶⁵ Exhibit C-297, p. 3.
- ⁶⁶ Testimony of Mr. Brault, Transcripts vol. 88, p. 15662 (OF), pp. 15658-15659 (E); Exhibit C-297, p. 7.
- ⁶⁷ Testimony of Mr. Brault, Transcripts vol. 88, p. 15670 (OF), p. 15666 (E); Exhibit C-297, pp. 8-10.
- ⁶⁸ Exhibit C-297, pp. 3-5; Testimony of Mr. Brault, Transcripts vol. 88, pp. 15672-15673 (OF), pp. 15667-15668 (E).
- ⁶⁹ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15850-15853 (OF), pp. 15837-15840 (E); Testimony of Mr. Renaud, Transcripts vol. 96, p. 17059 (OF), p. 17051-17052 (E)
- ⁷⁰ This figure is reached by adding the two amounts paid to Alain Renaud's personal services companies, 9004-8612 Québec Inc. and Investissement Alain Renaud (\$812,065 and \$153,841), and then subtracting the amount that Mr. Renaud transmitted to the LPCQ (\$63,500). See Exhibit 428(A), p. 119.
- ⁷¹ Testimony of Mr. Brault, Transcripts vol. 88 (Part 2 of 2), p. 15658 (OF), p. 15655 (E); Testimony of Mr. Béliveau, Transcripts vol. 113, pp. 20907-20910 (OF), pp. 20891-20894 (E).
- ⁷² Testimony of Mr. Brault, Transcripts vol. 89, pp. 16235-16238 (OF), pp. 16231-16235 (E).
- ⁷³ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15849-15850 (OF), pp. 15836-15837 (E).
- ⁷⁴ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15724-15727 (OF), pp. 15722-15725 (E).
- ⁷⁵ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15768-15771 (OF), pp. 15762-15765 (E); Exhibit C-295, p. 7.
- ⁷⁶ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15771-15772 (OF), pp. 15765-15766 (E); Exhibit C-295, p. 8.
- ⁷⁷ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15776-15777 (OF), pp. 15769-15770 (E).
- ⁷⁸ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15784-15788 (OF), pp. 15777-15781.
- ⁷⁹ *Canada Elections Act*, R.S.C. 1985, c. E-2, section 217, REPEALED by S.C. 2000, c. 9, section 576, effective September 1, 2000 (Canada Gazette Pt. I, Sept. 1, 2000).
- ⁸⁰ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15789-15795 (OF), pp. 15781-15787 (E)
- ⁸¹ Testimony of Mr. Boudreault, Transcripts vol. 117, pp. 21708-21720 (OF), pp. 21707-21719 (E).
- ⁸² Testimony of Mr. Brault, Transcripts vol. 89, pp. 15869-15870 (OF), pp. 15855-15856 (E).
- ⁸³ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15869, 15872-15873 (OF), pp. 15855-15856, 15857-15859 (E); vol. 92, pp. 16342-16343 (OF), pp. 16330-16331 (E); Exhibit C-299, pp. 2-3.
- ⁸⁴ Testimony of Mr. Bernard Michaud, Transcripts vol. 97, pp. 17247-17251 (OF), pp. 17245-17249 (E).
- ⁸⁵ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15869-15870 (OF), pp. 15856-15857 (E).
- ⁸⁶ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15870-15871 (OF), pp. 15856-15857 (E).
- ⁸⁷ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15872-15873 (OF), pp. 15858-15859 (E); Exhibit C-299, pp. 2-3.
- ⁸⁸ Testimony of Mr. Corbeil, Transcripts vol. 115, pp. 21305-21311 (OF), pp. 21289-21295 (E); vol. 116, pp. 21546-21552 (OF), pp. 21536-21442 (E).
- ⁸⁹ Exhibit C-299, pp. 2-3; Exhibit P-321, pp. 3-5.

- ⁹⁰ Testimony of Mr. Béliveau, Transcripts vol. 113, pp. 20916-20922 (OF), pp. 20899-20905 (E).
- ⁹¹ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15841-15848 (OF), pp. 15829-15836 (E).
- ⁹² Exhibit C-297, p. I43.
- ⁹³ Testimony of Mr. Renaud, Transcripts vol. 95, pp. 16933-16938 (OF), pp. 16919 -16924 (E).
- ⁹⁴ Testimony of Mr. Béliveau, Transcripts vol. 113, p. 20925.
- ⁹⁵ Testimony of Mr. Renaud, Transcripts vol. 96, pp. 17022-17024(OF); pp. 17019-17021(E); pp. 17077-17081 (OF), pp. 17069-17072 (E).
- ⁹⁶ Testimony of Mr. Béliveau, Transcripts vol. 113, pp. 20925-20926 (OF), pp. 20907-20908 (E).
- ⁹⁷ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15991-15992 (OF), pp. 15984-15985 (E).
- ⁹⁸ Exhibit P-254, para. 59.
- ⁹⁹ Testimony of Mr. Brault, Transcripts vol. 90, p. 15989 (OF), pp. 15982-15983 (E); Testimony of Mr. Thiboutot, Transcripts vol. 85, pp. 15114-15115 (OF), pp. 15107-15108 (E); Testimony of Mr. Côté, Transcripts vol. 116, pp. 21648-21649 (OF), pp. 21627-21628 (E).
- ¹⁰⁰ Exhibit C-299, pp. 66, 68.
- ¹⁰¹ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15993-15994 (OF), pp. 15986-15987 (E).
- ¹⁰² Exhibit C-299, p. 70.
- ¹⁰³ Testimony of Mr. Thiboutot, Transcripts vol. 85, pp. 15105-15110 (OF), pp. 15099-15103 (E).
- ¹⁰⁴ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15996-16001 (OF), pp. 15989-15994 (E).
- ¹⁰⁵ Testimony of Mr. Thiboutot, Transcripts vol. 85, pp. 15105-15106.
- ¹⁰⁶ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15850-15852 (OF), pp. 15838-15839 (E).
- ¹⁰⁷ Exhibit C-297, pp. 5, 116.
- ¹⁰⁸ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15851-15855 (OF), pp. 15838-15842 (E).
- ¹⁰⁹ Testimony of Mr. Brault, Transcripts vol. 89, p. 15852 (OF), p. 15839 (E).
- ¹¹⁰ Exhibit C-297, pp. 120, 132-142.
- ¹¹¹ Exhibit C-297, pp. 2, 5.
- ¹¹² Testimony of Mr. Brault, Transcripts vol. 89, pp. 15855-15856 (OF), pp. 15842-15843 (E).
- ¹¹³ Testimony of Mr. Renaud, Transcripts vol. 95, pp. 16974-16976 (OF), pp. 16957-16959 (E).
- ¹¹⁴ Exhibit C-290(A), para. 96.
- ¹¹⁵ Exhibit C-290(A), para. 135.
- ¹¹⁶ Testimony of Mr. Brault, Transcripts vol. 89, p. 15856 (OF), pp. 15842-15843 (E); vol. 90, pp. 15923-15924 (OF), pp. 15921-15922 (E).
- ¹¹⁷ Testimony of Mr. Brault, Transcripts vol. 89, p. 15857 (OF), pp. 15843-15844 (E).
- ¹¹⁸ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15858-15860 (OF), pp. 15844-15846 (E).
- ¹¹⁹ Testimony of Mr. Renaud, Transcripts vol. 95, pp. 16967-16968 (OF), pp. 16951-16952 (E).
- ¹²⁰ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22104, 22116 (OF), pp. 22088, 22099 (E).
- ¹²¹ Testimony of Mr. Mignacca, Transcripts vol. 118, p. 22140 (OF), p. 22121-22122 (E); Testimony of Mr. Mignacca, Transcripts vol. 119, pp. 22198-22199 (OF), pp. 22195-22196 (E).
- ¹²² Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22107-22108 (OF), pp. 22091-22092 (E).
- ¹²³ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22108-22109 (OF), pp. 22092-22093 (E).

- ¹²⁴ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22148-22159 (OF), pp. 22129-22138 (E).
- ¹²⁵ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22149-22161 (OF), pp. 22131-22141 (E).
- ¹²⁶ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22160-22162 (OF), pp. 22140-22142 (E).
- ¹²⁷ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22161-22162 (OF), pp. 22141-22142 (E).
- ¹²⁸ Testimony of Mr. Mignacca, Transcripts vol. 118, pp. 22167-22168 (OF), pp. 22146-22147 (E).
- ¹²⁹ Exhibit C-295, p. 21
- ¹³⁰ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15877-15878 (OF), 15862-15863 (E).
- ¹³¹ Testimony of Mr. Brault, Transcripts vol. 89, p. 15878 (OF), p. 15863 (E).
- ¹³² Testimony of Mr. Brault, Transcripts vol. 89, pp. 15877-15880 (OF), pp. 15863-15865 (E).
- ¹³³ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15877-15881 (OF), pp. 15863-15866 (E).
- ¹³⁴ Exhibit C-298, p. 133.
- ¹³⁵ Testimony of Ms. Patry, Transcripts vol. 129, pp. 24536-24538 (OF), pp. 24518-24520 (E).
- ¹³⁶ Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23931, 23934-23946 (OF), pp. 23923-23924, 23926-23937 (E).
- ¹³⁷ Exhibit C-295, p. 43.
- ¹³⁸ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15884-15889 (OF), pp. 15869-15874 (E).
- ¹³⁹ Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23985-23991 (OF), pp. 23973-23978 (E); Testimony of Mr. Wajzman, Transcripts vol. 119, pp. 22240, 22289-22295 (OE), pp. 22241, 22296-23303 (F).
- ¹⁴⁰ Testimony of Mr. Dezainde, Transcripts vol. 117, pp. 21782, 21839-21842 (OF), pp. 21774, 21825-21828 (E).
- ¹⁴¹ Testimony of Mr. Wajzman, Transcripts vol. 119, pp. 22260-22263 (OE), pp. 22263-22266 (F).
- ¹⁴² Testimony of Mr. Dezainde, Transcripts vol. 117, pp. 21863-21867 (OF), pp. 21845-21849 (E); Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23968-23973 (OF), pp. 23958-23962 (E).
- ¹⁴³ Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23986-23988 (OF), pp. 23974-23976 (E).
- ¹⁴⁴ Testimony of Mr. Morselli, Transcripts vol. 127, pp. 23991-23995 (OF), pp. 23978-23983 (E).
- ¹⁴⁵ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15890-15892 (OF), pp. 15874-15876 (E).
- ¹⁴⁶ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15891-15893 (OF), pp. 15876-15877 (E).
- ¹⁴⁷ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15893-15895 (OF), pp. 15877-15879 (E).
- ¹⁴⁸ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15893-15895 (OF), pp. 15877-15879 (E).
- ¹⁴⁹ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15865-15869 (OF), pp. 15851-15855 (E).
- ¹⁵⁰ Testimony of Mr. Brault, Transcripts vol. 90, p. 15942 (OF), p. 15939 (E).
- ¹⁵¹ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15943-15945 (OF), pp. 15940-15942 (E).
- ¹⁵² Testimony of Mr. Morselli, Transcripts vol. 127, pp. 24002-24005 (OF), pp. 23989-23991 (E); Testimony of Mr. Renaud, Transcripts vol. 96, pp. 17032-17035 (OF), pp. 17028-17031 (E).
- ¹⁵³ Testimony of Mr. Brault, Transcripts vol. 89, pp. 15873-15876 (OF), pp. 15859-15862 (E); Exhibit C-299, pp. 5-6
- ¹⁵⁴ Testimony of Mr. Brault, Transcripts vol. 92, pp. 16307-16312 (OF), pp. 16298-16302 (E).
- ¹⁵⁵ Testimony of Mr. Boulay, Transcripts vol. 104, pp. 18799-18810 (OF), pp. 18799-18809 (E).
- ¹⁵⁶ Exhibit C-299, pp. 5-6.

¹⁵⁷ Testimony of Mr. Brault, Transcripts vol. 90, pp. 15977-15978 (OF), pp. 15972-15973 (E); vol. 93, pp. 16402-16403 (OF), pp. 16402-16403 (E); vol. 89, pp. 15715-15717 (OF), pp. 15713-15715 (E).

¹⁵⁸ Exhibit P-428(A), pp. 117-118.

