

Summary of Interview with LUC LAVOIE

For Luc Lavoie: Representing himself
For the Commission: Giuseppe Battista
Myriam Corbeil

- He worked in journalism from 1973-1974 to 1986 (radio, television, newspapers and print media).
- He was Commissioner General for Canada at the Universal Exposition in Seville, Spain.
- He worked as Chief of Staff for the Honourable Marcel Masse, Minister of Energy, Mines and Resources.
- Mr. Lavoie then joined the Prime Minister's Office (PMO) in January 1988, working there until 1991. He served as senior communications advisor for approximately 12 to 15 months and then as Deputy Chief of Staff, Operations, where he was in charge of operations, logistics and scheduling for the Prime Minister. He was responsible for the Prime Minister's travel, which was an enormous task given the international context at the time. He also served as a liaison with the various security services, the RCMP and the military and handled correspondence addressed to PMO. At the Prime Minister's request, he was sometimes asked to intervene and resolve certain situations ("trouble fixer/shooter").
- Mr. Lavoie explained that there were three types of individuals at PMO: party members, civil servants and those without any political affiliation (independents). He belonged to the third category.
- When he was at PMO, Mr. Lavoie was not involved in the Bear Head project. He remembered that the signing of a document related to that project had been brought to his attention during an operations meeting ("Understanding in Principle"). He did not have any specific recollection of that file because his energy had been focussed on election preparations. To that end, he had to see certain files through to completion. For example, he ensured that certain events received the best media coverage.
- Mr. Lavoie was aware of the Prime Minister's meetings to the extent that they were written in the schedule. The Prime Minister's schedule was free from 3:00 p.m. to 4:00 p.m., after House business ended. The Prime Minister met with many people during that time and then returned to his offices on Parliament Hill. These offices allowed for only a small entourage: two assistants, his Chief of Staff and his executive assistant (Rick Morgan). The rest of the team worked in the Langevin Block.
- Mr. Lavoie met Mr. Mulroney while he was a journalist, in the late 1970s (not long after the 1976 leadership race). Mr. Mulroney was President of the Iron Ore Company at the time. Theirs was a professional relationship.

- Mr. Lavoie was mandated to represent Mr. Mulroney within the context of the *Airbus affair*. He acted for Mr. Mulroney from November 13, 1995, to February 1, 1997. From what he recalls, there had not been a written contract between Mr. Mulroney and NATIONAL Public Relations: it was an oral contract. Mr. Lavoie was in charge of the Ottawa office at the time. His mandate was to limit possible damage to Mr. Mulroney's reputation and provide support to the legal team. He charged an hourly rate.
- Mr. Lavoie acted for Mr. Mulroney on a personal basis from 1997 to 2007: he was not paid for his work (for his activities) and did not keep track of his time.
- Journalists had taken to calling Mr. Lavoie directly for answers to their questions. Mr. Lavoie would contact Mr. Mulroney when the journalists called him to inform him of their questions/allegations. On several occasions, Mr. Lavoie knew the answers to the questions asked and answered the journalists without first informing Mr. Mulroney.
- The period between 1997 and 2007 was relatively calm despite the reactivation of the affair for a 3-4 day period at the end of 1999.
- Mr. Lavoie explained that the statements made to Mr. Harvey Cashore in October 1999 to the effect that "there never was any money" were made within the context of the aid application regarding money paid to purchase Airbus planes, helicopters and armoured vehicles, which was deposited into a Swiss bank account ("Letter of Request"). At the time of those statements, Mr. Lavoie was not aware of payments between Mr. Schreiber and Mr. Mulroney.
- He was in contact with Mr. Mulroney during the interviews with Mr. Cashore and informed him of the new allegation regarding a bank account linking him to Mr. Schreiber. However, the name of the bank account in question (rubrik) was not communicated to Mr. Lavoie. Mr. Mulroney did not, at that time, imply to Mr. Lavoie that he had indeed received money from Mr. Schreiber.
- In the spring of 2000, Mr. Gérald Tremblay told Mr. Lavoie about the money Mr. Schreiber had paid Mr. Mulroney. Mr. Lavoie was at his home in Montreal when he received a call from Mr. Tremblay at around 10:00 a.m. It was not unusual for Mr. Lavoie to receive a call from Mr. Tremblay since Mr. Tremblay called him every morning to chat and share a laugh. However, on that morning, Mr. Tremblay was not in a laughing mood and from what he remembered the conversation went as follows:

Tremblay: Brian had a contractual relationship with Schreiber.

Lavoie: What kind of contract?

Tremblay: Brian acted as an advisor.

Lavoie: Was it a retainer?

Tremblay: Yes, a retainer.

Lavoie: When?

Tremblay: In 1994, or thereabouts.

Lavoie: Really? Interesting. Was he paid?

Tremblay: Yes.

Lavoie: Why are you calling to tell me this?

Tremblay: The “client” thought you should know. We’re talking about 3 transactions.

Lavoie: Large payments?

Tremblay: Tens of thousands, three times, in cash.

Lavoie: Were the taxes paid?

Tremblay: Yes.

END OF CONVERSATION

- When Mr. Lavoie heard this news, he was unmoved. He was surprised. He remembered asking Mr. Tremblay if the taxes had been paid, to which he answered yes, and if there was a link between the payments and the Airbus affair, to which he answered no. Mr. Lavoie felt that there was no need for him to hear more and the conversation ended. He informed his lawyer after thinking everything over. Mr. Lavoie was quite unconcerned about the news, as he was very busy and stressed. He had “no time to think of matters that didn’t help him earn a living.” Mr. Lavoie stated that from that moment on, Mr. Mulroney was more withdrawn with him.
- When the term “retainer” was used in the conversation with Mr. Tremblay, he got an idea of the type of work Mr. Mulroney had done for Mr. Schreiber and did not seek further details about the exact nature of their relationship. Mr. Lavoie was not paid to represent Mr. Mulroney (and the file “was no longer his life.”) He represented him out of loyalty. He was not made aware of the context of the transactions and did not know they involved \$1000 bills.
- He discussed with Mr. Mulroney the possibility of making a public admission. The issue was addressed at a social activity a few months later. Mr. Lavoie recommended he make a public admission and Mr. Mulroney considered the option by asking a number of questions on how he should proceed. The matter was discussed on several occasions when Mr. Mulroney contacted him by telephone.
- Mr. Lavoie confirmed that he had spoken to Mr. Kaplan in 2002 and did not deny the accuracy of Mr. Kaplan’s note dated January 4, 2002, about the amount Mr. Mulroney received being less than \$300,000. He had no recollection of having transmitted that information, but did not deny Mr. Kaplan’s note either: he has a lot of respect for the man and considers him a rigorous person. The information must have come from Mr. Mulroney. It was the same amount mentioned by Philip Mathias and rumored at the time. Mr. Lavoie also acknowledged informing Mr. Kaplan that the relationship between Mr. Mulroney and Mr. Schreiber was privileged (solicitor-client privilege) He also acknowledged saying to Mr. Kaplan that Mr. Mulroney had provided services in exchange for money. For example, he organized meetings with the heads of Archer Daniels Midland about Mr. Schreiber’s pasta business and gave him advice on international transactions.

Mr. Lavoie also acknowledged telling Mr. Kaplan that “all taxes were paid and the income was fully reported.”

- Mr. Kaplan learned about the existence of these payments in 2001, a few months after Mr. Lavoie. Mr. Kaplan expressed his discontent to Mr. Lavoie during a telephone conversation (Mr. Kaplan’s notes dated March 8, 2006) One time, when they shared a meal together, Mr. Lavoie told Mr. Kaplan that he did not hold a grudge against Mr. Mulroney. Mr. Lavoie trusted the accuracy of Mr. Kaplan’s notes.
- Mr. Lavoie remembered the comment from Mr. Mulroney in the Montreal courthouse: “Luc, do you know what Sheppard’s problem is going to be today? ... He’s going to ask me questions and he expects me to answer them.”
- When he was questioned about his statement concerning Mr. Mulroney’s financial situation at the time of his return to private life, Mr. Lavoie explained that unlike some of his predecessors, Mr. Mulroney was not a millionaire when he left the office of prime minister. Mr. Lavoie described the challenges some people face when they leave public life and referred to two articles citing him in that regard. He remembered reading a passage in *Memoirs* by Brian Mulroney concerning his financial insecurities. That paragraph did not, however, appear in the final version of the book.
- Mr. Lavoie met Karlheinz Schreiber in Bonn, Germany, in the spring of 1991 during the Prime Minister’s official visit to the Chancellery. He was accompanying the Prime Minister to a state dinner with some thirty guests. While the Prime Minister was attending to official duties with Chancellor Kohl, his attention was brought to an agitated individual who was introducing himself as a Canadian (who sounded German) and claiming to have been invited to the reception: that person was Mr. Schreiber. Mr. Schreiber was accompanied by Michel Cogger, who introduced him as a friend. Michel Cogger was not a stranger to Mr. Lavoie. On the strength of Mr. Cogger’s words, Mr. Lavoie gave his access card to Mr. Schreiber so that he could attend the dinner. Mr. Lavoie had never heard of Mr. Schreiber before that event.
- Mr. Lavoie never organized any meetings between the Prime Minister and Mr. Schreiber.
- He had a telephone conversation with Mr. Schreiber in 1996: Mr. Schreiber phoned him from Switzerland to congratulate him on his outstanding work.
- He met with Mr. Schreiber in Toronto (First Canadian Place) within the context of the proceedings that Mr. Schreiber had brought against him. He filed a defence but the case was settled out of court.
- Mr. Lavoie had not been aware of the February 2, 1998, meeting between Mr. Schreiber and Mr. Mulroney, in Zurich. He learned of it during the airing of *the fifth estate* in October 2007. He did not attempt to obtain further information on that meeting.