Transparency International Canada Inc.

TI-Canada

Fifth Annual Day of Dialogue: Spotlight on Corruption

Rapporteur Reports

6 May 2015

For any questions/suggestions or further information, please contact:
ti-can@transparency.ca; or 416-488-3939.

Introduction

Transparency International Canada (TI-Canada) held its Fifth Annual *Day of Dialogue: Spotlight on Corruption*, in Toronto, on 6 May 2015. Two plenaries and four concurrent sessions addressed the areas of:

- Tone at the Top: Compliance and Corporate Governance;
- Tackling Money Laundering and the Illicit Flow of Cash;
- Corruption in Sport;
- Books and Records Provisions under the CFPOA;
- Are Municipal Governments at Greater Risk for Corruption?;
- Procurement Integrity and Supplier Debarment.

A cross-section of participants from a variety of sectors, including business, government, academia, the media and civil society, had the opportunity to hear from and engage with experts in each of these areas.

The *Day of Dialogue* is meant to explore and move forward the discussion on current anti-corruption issues. In order for people not able to attend the event in person to benefit, we have assembled Rapporteur Reports of each session, which were held under the Chatham House Rule, allowing for individuals' comments to be passed on without personal attribution.

We hope you will find these Reports useful and look forward to continuing the discussion with you.

Peter Dent
Chair and President

Table of Contents

Agenda **2**

Rapporteur Reports **4**

Tone at the Top: Compliance and Corporate Governance **5**

Tackling Money Laundering and the Illicit Flow of Cash **8**

Corruption in Sport **10**

Books and Records Provisions under the CFPOA **14**

Are Municipal Governments at Greater Risk for Corruption? **16**

Procurement Integrity and Supplier Debarment **20**

Speakers' & Moderators' Bios **24**

Agenda

When: Wednesday, 6 May 2015, 08:00 – 17:00
Location: #3400, 1 First Canadian Place, Toronto (offices of Bennett Jones LLP)

PD credits are available for Ontario CAs
This event is eligible for Substantive Hours for Lawyers called in Ontario

Agenda

08:00 – 08:15	**Coffee and Networking**
08:15 – 08:30	**Welcome and Introduction to Day** **Mr. Peter Dent**, *Chair and President, Transparency International Canada, Partner, Americas Leader/ Global Financial Crime Initiative Leader, Deloitte Forensic*
08:30 – 10:00	**Tone at the Top: Compliance and Corporate Governance** Legal and compliance advisors emphasize the role of board and senior management commitment to compliance - Tone at the Top - as the most important ingredient of an effective compliance policy. This is often viewed as self-evident in all regulatory areas, including anti-corruption. Yet, in practice, compliance is often subordinated to other corporate functions. An expert panel will elaborate on the interface between governance and compliance, best practices and impediments to meeting them.
Moderator:	**Mr. Milos Barutciski**, *TI-Canada Board Member, Partner, Bennett Jones LLP*
Speakers:	**Mr. David R. Beatty**, *Conway Chair, Clarkson Centre for Business Ethics & Board Effectiveness, Rotman School of Management, University of Toronto* **Ms. Carol Hansell**, *Founder and Senior Partner, Hansell LLP* **Ms. Monica Kowal**, *Vice Chair, Ontario Securities Commission*
Rapporteur:	**Ms. Sabrina A. Bandali,** *Associate, Bennett Jones LLP*
	Tackling Money Laundering and the Illicit Flow of Cash Corruption around the world is enabled by people's ability to launder and hide the proceeds of corruption. Strengthened global anti-money laundering standards by organizations, such as the Financial Action Task Force (FATF) and the United Nations Convention against Corruption, still leave loopholes, a key one being who is the true beneficial owner? Along with Public Beneficial Ownership registries, national, financial, regulatory and supervisory authorities must take action to ensure compliance with anti-money laundering obligations.
Moderator:	**Mr. Sylvain Perreault**, *TI-Canada Board Member, Chief Compliance Officer, Desjardins Group*
Speakers:	**Mr. Matthew McGuire**, National Anti-Money Laundering Practice Leader, MNP LLP **Mr. Garry W. G. Clement**, *President and CEO, Clement Advisory Group* **Mr. Luc Major,** *Manager, Financial Analysis and Disclosures Sector, FINTRAC*
Rapporteur:	**Ken Mark,** *Freelance Journalist*
10:00 – 10:30	**Nutrition Break**

Sponsors

Deloitte. EDC Bennett Jones SIEMENS

10:30 – 12:00	**Corruption in Sport** Sport is a multi-billion dollar business with intricate ties to political and private interests. Despite the fact that the opportunities for corruption are many, across the sporting sector, most deals and decisions take place behind closed doors. As a result, corruption when it happens can go unchecked and unpunished. Our panel has deep experience in the world of sport from the International Olympic Committee, to FIFA, to an athlete turned academic and activist. Each will explore how they see the issue of corruption in sport. Is it just a governance problem? Are we all complicit? Are there really solutions? Are we making measurable progress?
Moderator:	**Mr. Tony Keller,** *Editorial Page Editor, The Globe and Mail*
Speakers:	**Dr. Bruce Kidd,** *Vice-President & Principal, University of Toronto Scarborough, Professor, Faculty of Kinesiology & Physical Education, Past Chair, Commonwealth Advisory Body on Sport* **Mr. Jim Klotz,** *Partner, Chair, Anti-Corruption & International Governance Group, Miller Thomson LLP, Member, Independent Governance Committee, FIFA* **Mr. Richard W. Pound,** *Counsel, Stikeman Elliott, founding President, World Anti-Doping Agency, Member, International Olympic Committee*
Rapporteur:	**Ms. Alesia Nahirny,** *Lawyer and Moderator, Office of Alesia Nahirny*
12:00 – 13:15	**Lunch**
13:15 – 14:45	**Books and Records Provisions under the CFPOA** The 2013 amendments to the Corruption of Foreign Public Officials Act contained a new criminal offence of concealing bribes to public officials in accounting records. Although similar in intent to longstanding US FCPA provisions, there are significant differences. Speakers will review the new provisions and discuss the impact on corporations, individuals and corporate anti-corruption compliance programs.
Moderator:	**Mr. Martin Mueller,** *TI-Canada Board Member*
Speakers:	**Mr. Mike Savage,** *Leader, Fraud Investigation and Dispute Services, Ernst & Young* **Mr. Andrew Wiese,** *Crown Counsel, Anti-Organized Crime Unit, Public Prosecution Service of Canada* **Mr. Glen Jennings,** *Partner & Leader, White Collar Defence & Investigations Group, Gowlings*
Rapporteur:	**Mr. Ken Mark,** *Freelance Journalist*
	Are Municipal Governments at Greater Risk for Corruption? There have been a number of municipal scandals of late and proper municipal governance means asking many questions such as: Where does the money get spent? Has the gap in the Municipal Conflict of Interest Act, identified by Justice Douglas Cunningham in the 2010 Mississauga Inquiry, been filled? How does whistleblowing work in the municipal context? What is the effect of Bill 8, which expands the jurisdiction of the Ontario Ombudsman to municipalities? What can be done about the apparent lack of concern by the voting public regarding conflicts of interests in municipal affairs? Are the rules adequate for municipal procurement?
Moderator:	**Mr. Don Jack,** *Partner, Aird & Berlis LLP*
Speakers:	**Ms. Mary Ellen Bench,** *City Solicitor, Mississauga* **Mr. Gregory J. Levine,** *Barrister & Solicitor* **Mr. Greg McArthur,** *Reporter, The Globe and Mail*
Rapporteur:	**Ms. Lindsay Senese,** *JD*
14:45 – 15:15	**Nutrition Break**
15:15 – 16:45	**Procurement Integrity and Supplier Debarment** Supplier integrity requirements and debarment has become a very hot topic in Canada. The federal Integrity Framework has generated several headlines in recent months. Meanwhile, in Quebec, a vender validation program requires all bidders on major contracts to obtain a business ethics certification from the Autorités des marchés financiers. But what are the main challenges involved in bidder debarment? Does it work to foster greater business ethics compliance? How do we ensure bidder debarment best serves the public interest? What principles should guide it, and what can we learn from the US experience, where debarment has been a feature of the procurement process for many years?
Moderator:	**Mr. Paul Lalonde,** *TI-Canada Board Member, Partner, Dentons Canada LLP*
Speakers:	**Mr. Tom Barletta,** *Partner, Steptoe & Johnson LLP, Washington DC* **Prof. Richard LeBlanc,** *Associate Professor, Law, Governance and Business Ethics, York University* **Mr. Eric Miller,** *Vice President, Innovation and Competitiveness, Canadian Council of Chief Executives* **Me. Louis Letellier,** *Directeur des contrats publics et des entreprises de services monétaires, Autorité des marchés financiers du Québec*
Rapporteur:	**Mr. Paul Pimentel,** *Articling Student, Blaney McMurtry LLP*
16:45 – 17:00	**Closing Remarks** **Mr. Peter Dent,** *Chair and President, TI-Canada*

Rapporteur Reports

Tone at the Top: Compliance and Corporate Governance

Moderator: *Milos Barutciski, Bennett Jones LLP*
Speakers: *Carol Hansell, Hansell LLP*
Monica Kowall, Ontario Securities Commission
David R. Beatty, Rotman School of Management
Rapporteur: *Sabrina A Bandali, Bennett Jones LLP*

Communicating a clear and consistent "tone from the top" is a crucial element in creating a corporate culture of anti-corruption compliance. This session explored the relationship between compliance and corporate governance, querying the role that a Board of Directors must play in a company's anti-corruption efforts.

Shareholders, the ultimate owners of a corporation, are not in a position to oversee management, which means that the oversight role played by the Board is the final check and balance to ensure that a company's anti-corruption policies and compliance procedures are followed. As described by one panellist, the role of the board is not to "check management's homework" but to make sure the right managers are in place, the spirit of the organization is communicated, and that the programs are in place and are operating. For example, if the Board begins to manage or undertake management tasks, or, alternatively, if members of senior management are on the Board, there is a mixing of roles and functions that can make it difficult for corporate governance to function effectively, particularly in situations where the conduct, stewardship or wilful blindness of managers may be at issue.

The ability of a Board to play this oversight role appropriately also depends on Board members having a serious and realistic understanding of their role in the organization. Serving on a Board is not a "cushy" position or a consolation prize for retiring leaders but a serious role to which liability attaches, if Board members are not active and diligent in serving their function. Accordingly, if management is not putting anti-corruption on the Board agenda, then it is the responsibility of Board members to raise the issue. When Board members ask what is happening in an organization, they should also be asking the further question of how management knows what it reports to the Board.

In part, the governance deficit that occurs when Boards fail to make inquiries or exercise appropriate oversight is a symptom of the failed ethical orientation of Board members. Prospective Board members should be informed of their ethical obligations, and related liability, prior to their appointment. Corporate ethics and the role of the Board must then also be a continuing conversation.

There are a variety of ways that Boards may create or request opportunities to get better information about what is happening within a company to appropriately exercise their oversight responsibilities. For example, the company might conduct an anonymous survey of employees, the results of which might be tied to management's performance objectives. They might introduce a reporting process for non-financial metrics, and ensure that, as part of their strategic planning activities, they take the opportunity of engaging with the organization's broader stakeholders. In different contexts, Board members may benefit from visiting operations and engaging at the grassroots level of an organization. Regardless of the strategies that a given Board chooses to employ, understanding and monitoring the organization's risk areas and mitigation strategies must be a constant focus of the Board's oversight agenda.

Panelists and audience members debated the organizational structures that might be necessary, for example, whether the compliance function should report to the General Counsel or to the Board directly. Some felt that it was important for there to be a regular mechanism for the Board to hear directly about things that may be happening within the company. Anti-corruption compliance should not be considered in isolation but is part of ongoing risk management. Successful companies achieve the objectives of the organization by identifying and mitigating the real risks faced by the organization. Accordingly, adequate, meaningful and robust corporate governance is an aspect of risk management.

The Board should be able to use the external and internal advisors used by management, if the Board so wishes. However, if the personal interests of management are engaged (e.g. in the context of an investigation) it may not be appropriate for the Board to rely on the same outside counsel that is routinely retained by management. When management conduct is under investigation, the Board's review should be handled sensitively and privately. However, such situations are complex. For example, independent counsel running roughshod over management may be in the interest of Board members who wish to mitigate their potential liability, but it may not necessarily be in the interests of the company.

Non-compliance within an organization also impacts employees. The more that bad behaviour is tolerated, the more that people who want to do the right thing will either disengage or leave the organization. Organizations and their Boards must consider what behaviour they reward and incentivize through performance reviews and other assessments. Corporate culture in responding to improper conduct (including daily behaviour, such as how people behave in meetings, or how people react to inappropriate comments), shapes employee expectations of how meaningful compliance is. As one

panellist remarked, “To the extent that the Board or management pretend to have rules, employees will pretend to obey them.”

Finally, the panelists discussed the possibility of an affirmative compliance defence for corruption offences. Noting that the defence exists in other areas of law in limited ways, there was a consensus that a compliance or due diligence defence would be an appropriate way of reflecting in law the reality that people play particular roles in organizations and that liability should be scoped appropriately.

Ultimately, successful anti-corruption compliance depends on everyone in an organization. However, this fact should not overshadow the critical relationship between appropriate corporate governance, including the meaningful exercise of oversight by the Board, and anti-corruption compliance. As one member of the audience memorably commented, successful compliance requires the “tone from the top, tune from the middle, and beat from the feet on the ground.”

Tackling Money Laundering and the Illicit Flow of Cash

Moderator: *Sylvain Perreault, TI-Canada Board Member, Chief Compliance Officer, Desjardins Group*
Speakers: *Matthew McGuire, National Anti-Money Laundering Practice Leader, MNP LLP*
Garry W. G. Clement, President and CEO, Clement Advisory Group
Luc Major, Manager, Financial Analysis and Disclosures Sector, FINTRAC
Rapporteur: *Ken Mark, Freelance Journalist*

Canada's anti-money laundering régime is a work in progress. In many ways our regulations, laws and practices and are not up to the standards or results of other countries. But we are slowly catching up on both counts.

Essentially, money laundering converts "dirty money" -- the proceeds of criminal activity -- into "clean money," by obscuring the individuals, processes and amounts, etc. , involved.

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) serves as the agency responsible for collecting, analyzing and disclosing information to assist in the detection, prevention and deterrence of money laundering and terrorist financing in Canada and abroad. It handles data from financial institutions as well as others, such as the Canada Border Services Agency, regarding exports and imports of currency and monetary instruments, not to mention voluntary reports of suspicions of money laundering or terrorist activities. As well, its formal links with 90 international financial intelligence units (FIUs), including the Toronto-based Egmont Group and the Paris-based Financial Action Task Force (FATF), contribute to its data pool.

Each year FINTRAC receives about 20 million financial activity reports from Canadian sources. Its mandate is to analyze income rather than to conduct investigations to create evidence. That's left up to Canada's various law enforcement agencies as well as federal government entities such as the Canada Revenue Agency (CRA) and the Canadian Security Intelligence Service (CSIS) etc.

In fiscal year 2014, FINTRAC submitted 1,143 such reports to law enforcement authorities or government agencies compared with about 100 in 2003, its first year of operation. That included analyzed data related to the McGill University Health Centre scandal, which was crucial to the formation of the Charbonneau Commission investigating corruption in Quebec's construction industry.

Canadian banks and others in financial services sector are also beefing up their compliance staffs, training them internally if necessary to bring them up to speed to combat money laundering and other financial crimes. Thanks to modern digital technology, some are monitoring 100 to 150 million transactions per month to detect wrongdoing. For them, the greatest fear is the huge fines and profit disgorgement penalties as well as reputational damage. For example, the recent US Department of Justice conviction of BNP Paribas for violating US money laundering laws and trading with the enemy embargoes led to monetary penalties totaling US$8.9 billion.

And yet, there are claims that Canada's money-laundering system is not up to the standards of other nations. Although more data is being collected, there are still major gaps. Since Canada lacks any meaningful registry of beneficial owners of companies and property, they can hide their identity behind numbered companies, shell corporations and phantom firms. Although Canadian corporations are obligated to create a share register listing the names and addresses of all shareholders and details of shares held, the information is not always up to date.

As well, owing to solicitor-client privilege, Canadian lawyers are not permitted to disclose any communication they receive from their clients, unless the client gives permission for the lawyer to do so.

Canadian law enforcement agencies at all levels face challenges in dealing with money laundering since they rely on generalists rather than officers who are specifically trained in detecting financial crimes. In contrast, other forces such as the US FBI can deploy special agents who have the proper education and relevant experience. In addition, since money laundering court cases are highly complex they can take years to resolve, tying up staff time and other resources.

In addition, there is increasing evidence that members of organized crime, biker gangs, terrorist groups, etc., have infiltrated the offices of Canada's financial services, lawyers' and accountants' offices, not to mention the operations of airports and harbours.

One proposal to speed up the process is to shift such proceedings to civil forfeiture trials from the criminal courts. British Columbia has aggressively been seizing property, vehicles, cash and crops from drug dealers. This approach could also bring in the CRA to consider tax evasion.

In the past five years more than 500 money-laundering charges have surfaced in Canada, resulting in 140 convictions with the RCMP seizing about $80 million in assets.

Many of the speakers believe that we as a country can do better.

Corruption in Sport

Moderator: *Tony Keller, Editorial Page Editor, The Globe and Mail*
Speakers: *Bruce Kidd, Vice President & Principal, University of Toronto Scarborough, Professor, Faculty of Kinesiology & Physical Education, Past Chair, Commonwealth Advisory Body on Sport*
Jim Klotz, Partner, Chair, Anti-Corruption & International Governance Group, Miller Thomson LLP, Member, Independent Governance Committee, FIFA
Richard W. Pound, Counsel, Stikeman Elliott, founding President, World Anti-Doping Agency, Member, International Olympic Committee
Rapporteur: *Alesia Nahirny, Lawyer and Mediator*

On the eve of the writing of this report, the U.S. Department of Justice charged nine officials of the Fédération Internationale de Football Association (FIFA) with solicitation and acceptance of bribes and kickbacks worth over $150 million.

A total of 12 defendants and 25 unnamed co-conspirators are sports media and marketing company executives alleged to have paid bribes to secure media and marketing rights to international soccer tournaments and businessmen, bankers and other intermediaries who laundered the illicit payments.[1]

Seven of FIFA's top officials, including vice-president Jack Warner, were arrested in Zurich on May 27, 2015. They are accused of taking bribes and kickbacks when deciding who would televise the soccer games, where those games would be held and who would run FIFA. The most serious allegation is that FIFA was being operated as a criminal enterprise with officials engaging in various criminal activities including fraud, bribery and money laundering for personal gain.
FIFA's president, Sepp Blatter, was not among those charged or arrested.[2]

Swiss authorities followed suit announcing the opening of a separate FIFA criminal investigation into alleged criminal mismanagement and money laundering in connection with the awarding of the 2018 and 2022 World Cups to Russia and Qatar.[3]

[1] "Nine FIFA Official and Five Corporate Executives Indicted for Racketeering Conspiracy and Corruption," The United States Department of Justice, justice.gov/opa/pr/nine-fifa-officials-and-five-corporate-executives-indicted-racketeering-conspiracy-and.
[2] "Fifa corruption inquiries: Officials arrested in Zurich," BBC News, bbc.com/news/world-europe-32895048.
[3] Ibid.

Held only a few weeks before the arrests took place, TI-Canada's panel on Corruption in Sport had a timely discussion regarding the fast growing multi-billion dollar sporting industry and the lack of good governance structures therein.

Thanks to the evolution of new technologies allowing for live broadcasting of sporting events, sporting organizations such as FIFA have received billions of dollars in revenues from the sale of broadcasting rights and media contracts. The value of broadcasting and marketing rights for the 2014 World Cup alone was $4 billion.[4]

It is not surprising that corruption would follow the flow of such large sums of money. The panel had the opportunity to discuss corruption scandals that mired the International Olympic Committee (IOC) in 1999. The IOC was forced to clean house and undertake governance reforms after several IOC officials were accused of accepting bribes and favours from bidding committees during the bidding process for the 2002 Olympic Winter Games.

Following an internal investigation, eleven members of the IOC were expelled. The IOC then put in place a formal Code of Ethics and established an Ethics Commission comprised primarily of non-IOC members. The Commission was given an independent budget and authority to inquire into any complaint involving an IOC member. The IOC also stopped visits to candidate cities, opened its annual meetings to the public and published contracts pursuant to which the Games were awarded.

The panel discussed FIFA's attempt to conduct its own internal investigation in response to the controversies surrounding the 2018 and 2022 World Cups in Russia and Qatar. In 2011, it decided to do an extensive reform process with respect to its governance structure, establishing task forces to review its Statutes, Code of Ethics and procedures for conflicts of interests.

FIFA appointed an Independent Governance Committee (IGC) made up of a group of governance experts and stakeholder representatives to supervise its governance reform project. In March 2012, the IGC issued a report to the Executive Committee of FIFA with its recommendations.[5] Following IGC's recommendations, FIFA appointed US attorney Michael J. Garcia as Chairman of the investigative branch of its Ethics Committee to conduct an investigation into the nine bids for the 2018 and 2022 World Cups.

---

[4] "World Cup Brazil Will Generate $4 Billion for FIFA, 66% More than 2010 Tournament," Forbes Magazine,
forbes.com/sites/mikeozanian/2014/06/05/the-billion-dollar-business-of-the-world-cup/.

[5] "FIFA Governance Reform Project: First Report by the Independent Governance Committee to the Executive Committee of FIFA,"
fifa.com/mm/document/affederation/footballgovernance/01/60/85/44/first_report_by_igc_to_fifa_exco[2].pdf

Garcia delivered his 430-page report to FIFA in September 2014, but the full report was never made public. Instead, FIFA released a 42-page summary written by Hans-Joachim Eckert, the German judge appointed as the Chairman of the Ethics Committee's adjudication chamber. The summary cleared Russia and Qatar of any wrongdoing with respect to the bidding process for the 2018 and 2022 World Cup games. Garcia went on record stating the summary report was "incomplete and erroneous."[6] FIFA later announced that the full report would be published following the completion of an investigation into five individuals. [7]

TI-Canada's panel on Sport and Corruption spent time discussing the autonomy of sport, the idea that sport should be self-governed. Arguments were made that sport autonomy oftentimes harms sport and society by obstructing good governance, transparency and accountability. Autonomy cannot and should not be absolute but, rather, must be balanced with responsibility to members and society as a whole. FIFA's internal investigation is a case in point.

The panel also discussed match fixing and amateur sports. FIFA had recently joined efforts with Interpol to prevent match fixing. The IOC has recently set up a web-based whistleblowers' hotline open to athletes, coaches, referees and members of the public to anonymously call in and report suspicious incidents of fixing and manipulation.

In amateur sports the good governance agenda has created a resource challenge. Many individuals involved in amateur sports become involved because they love the sport not because they are interested in establishing an effective, transparent and accountable system of governance in their sport organization. It is simply not part of the culture to prioritize good governance in amateur organizations where there is a lack of time and desire for such initiatives.

Finally, the panel dealt with the importance of changing the tone at the top for real transformations in the field of good governance to take place. Such reforms take time and involve changing the culture of sporting organizations and the individuals running them.

The U.S. investigation confirmed that undisclosed and illegal payments, kickbacks and bribes became a normal way of doing business in FIFA. Attorney General Loretta Lynch

[6] "Fifa report 'erroneous', says lawyer who investigated corruption claims, BBC News, bbc.com/sport/0/football/30037729.
[7] "Fifa World Cup report: Michael Garcia findings to be released," BBC News, bbc.com/sport/0/football/30546139.

described FIFA's alleged corruption scheme as "rampant, systemic and deep-rooted."[8] Instituting a few policies, rules and procedures will not root out systemic problems...It remains to be seen how FIFA's remaining top officials will amend its governance structure in the wake of this corruption scandal and whether Sepp Blatter will remain as FIFA president.

[8] "FIFA Rocked as U.S. Charges 14 in Corruption Investigation," The Wall Street Journal, wsj.com/articles/six-soccer-officials-arrested-in-fifa-corruption-investigation-1432710956.

Books and Records Provisions under the CFPOA

Moderator: *Martin Mueller, TI-Canada Board Member*
Speakers: *Mike Savage, Leader, Fraud Investigation and Dispute Services, Ernst & Young*
Andrew Wiese, Crown Counsel, Anti-Organized Crime Unit, Public Prosecution Service of Canada
Glen Jennings, Partner & Leader, White
Rapporteur: *Ken Mark, Freelance Journalist*

A new criminal books and records accounting records offence for concealing bribes to public officials was introduced in the 2013 amendments to Canada's Corruption of Foreign Public Officials Act (CFPOA). It is now an offence to keep secret accounts, falsely record, fail to record or inadequately identify transactions, enter liabilities without properly identifying their objective, use false documents, or destroy accounting books and records earlier than legally permitted to conceal bribery of a public official. The maximum sentence for a conviction has been increased to fourteen years.

While similar to laws that exist in other countries, the amendments differ significantly from those in the US Foreign Corrupt Practices Act (FCPA). First, violations in Canada are considered criminal not civil offences. As such, convictions must meet a higher standard of justice, i.e., proof beyond a reasonable doubt and involve the legal concept of *mens rea* or criminal intent. In contrast, under the US FCPA, books and records violations are considered civil offences and are treated more as an accounting offence of mislabeled or false invoices to disguise payments to foreign officials rather than criminal acts. As such, the US financial services regulator, the Securities and Exchange Commission (SEC), assumes the lead investigator role, not the Department of Justice. Nevertheless, the penalties can be severe, most notably the 2008 conviction of Siemens AG, in which the cost of the fines imposed and implementing follow-up compliance procedures totaled US$1.6 billion.

Second, books and records violations in Canada are a secondary offence. They do not surface unless they are linked to a case of bribery brought before the courts. Firms and organizations need to pay more attention to these processes, which in the past were considered aiding and abetting or conspiring to conduct such illegal activities.

Third, the CFPOA amendments do not convey extra investigative powers to regulators or other enforcement agencies.

In addition, Canadian corporate laws still prevail. Under US Sarbanes-Oxley legislation, US CEOs and senior corporate executives must sign off on the integrity and accuracy of

their audited annual financial reports. If proven otherwise, they face personal liability. In the unlikely event that the SEC subpoenas Canadian corporate records for investigation, the penalties will be civil not criminal.

Regarding facilitation payments – nominal payments made to low-level government officials to carry out their normal duties, corporations need to be aware of such activities and issue relevant employee guidelines for dealing with them. Although the amounts are minor, many regulators and global lending agencies, such as the International Financial Corporation, a division of the World Bank, are paying closer attention to the quantity and pattern of such payments looking for anomalies and sloppy practices as potential red flags indicating more serious offences.

Corporations need to record facilitation payments in a reasonable way, since regulations do not set *de minimus* levels for such payments. More importantly, since willful blindness is not an acceptable defence, speakers strongly suggested that executives introduce a "duty to inform" culture based on a policy of zero tolerance to any form of bribery.

To put real teeth into that policy, organizations need to set up procedures and practices that include leadership, controls, risk assessment, achievable goals, relevant employee training and effectiveness reviews.

While such measures may take time, money and resources to implement, they will show to employees, investors, regulators and others that the organization is serious about avoiding the corruption of foreign officials.

Are Municipal Governments at Greater Risk for Corruption?

Moderator: *Don Jack, Partner, Aird & Berlis LLP*
Speakers: *Mary Ellen Bench, City Solicitor, Mississauga*
Gregory J. Levine, Barrister & Solicitor
Greg McArthur, Reporter, The Globe and Mail
Rapporteur: *Lindsay Senese, J.D.*

The session began by highlighting the major gap in the Municipal Conflict of Interest Act (MCIA), which does not capture alleged improper conduct that does not relate to what an official does in the municipal council, such as voting on municipal resolutions, influencing votes, or influencing officials or employees, but rather in the *misuse* of office. A robust discussion of the manifestation of this gap and the ways in which it is being addressed followed. The MCIA gap was elucidated with a review of recent mayoral conduct in Toronto and Mississauga.

In the course of research in 2011-12 for a biography of the Ford family, which includes former Toronto Mayor Rob Ford, it became clear from other major players in the label industry that a lot of business not traditionally going to them had moved to the Ford family business, on the scale of millions of dollars. Further, the Fords called meetings to address issues for a factory not in their wards, helped lobby officials to obtain a property tax rebate greater than that to which they were entitled, and asked for a 7000sq foot land expropriation for company parking, among other transgressions.

This can be immediately identified as problematic behaviour from a public official, but none of this conduct was captured under the MCIA, and the Integrity Code was found to be too lenient to be useful in addressing this gap.

This issue was discussed in detail in the Mississauga Judicial Inquiry. Justice Cunningham examined conflicts of interest both insofar as they are defined under the MCIA, and more broadly in the common law, finding that "[a]n apparent conflict of interest arises when a reasonably well-informed person could reasonably conclude, as a result of the surrounding circumstances, that the public official must have known about the connection of his or her involvement with a matter of private interest.."[9]It is important to distinguish, however, between conflicts of interest and corruption. It is possible to have a conflict of interest and act appropriately.

[9] The full report can be found here:
mississaugainquiry.ca/report/pdf/MJI_Report.pdf

Major ideas stemming from the Inquiry include that the notion of conflict must be expanded to encompass more than conflict related to pecuniary interests, and that the definition of family needs to be seen more broadly as family, friends, and associates. Further, who can bring a complaint under the MCIA needs to be extended beyond those who were citizens at the time of the event.

The panel discussed the limits and need for reform of present approaches. The expansion of conflict of interest to include common law is critical because the MCIA is not exhaustive. There exists a provision in the *Criminal Code of Canada* to address conflicts of interest in officials, but it allows only for removal from office, and thus has limited utility. While the MCIA tried to bring a more practical and nuanced approach, we have seen the limits to this as well.

The panel noted that the report of the Charbonneau Commission will be released in November to illustrate the notion that little conflicts breed big conflicts if they are not dealt with.

In addressing the somewhat unique nature of municipal office in Ontario, the panel discussed the issue of entitlement on the part of some municipal politicians. The misuse of office because of a belief that one has a special right or claim creates distrust. They pointed primarily to the lack of scrutiny of municipal politicians, the sense of entitlement, voter apathy, and a disengaged citizenry as conditions which allow for municipal corruption to flourish.

In addressing municipal corruption the panel pointed to fiduciary duties as relevant to municipal government, as well as public governance in general, and prescribed an expanded role for integrity commissioners. As it stands, integrity commissioners operate under one of two models. Some respond only to complaints, others also play an active advisory role. The panel also stressed the need for officials to be better informed about their responsibilities. Currently, most training is not mandatory, nor is it conducted until an official has taken office.

The panel then discussed protections available to municipal employees for whistleblowing, finding the closest approximation to whistleblower protection being the anti-reprisal sections of Codes of Conduct. There is nothing akin to the federal *Public Servants Disclosure Protection Act*.

Some big cities use third parties to act as a conduit for disclosure to maintain anonymity; however, there is a lack of trust in the anonymity of these systems. Furthermore, most of

the complaints tend to deal with cliques, morale, promotions and such, and rarely, if ever, are issues such as fraud or theft brought forward.

If a complaint of corruption goes forward to a third party, a witness is necessary to prove the allegation, forcing the source to have to identify him or herself if the individual wants the complaint to go forward. There are also issues of who has standing to bring a complaint. In most systems, only staff are able to do to this, whereas in Winnipeg, for example, anyone is entitled to do so.

The panel addressed the need to establish more formal rules or codes of conduct for non-elected officials (i.e., staff). Many municipalities have conflict of interest rules for staff, but most are not in a single code. Discipline of municipal employees is also complicated by virtue of dealing with a unionized workforce.

An integrity commissioner has no dealings with staff. However, an ombudsman, who deals with complaints surrounding administration does not *necessarily* address staff behaviour, but could. As with councilors, codes of conduct for staff are useful as both sword and shield. Staff are often lobbied, just as councilors are, and it is helpful to have legislation to stand behind.

Bill 8 in Ontario is the *Public Sector and MPP Accountability and Transparency Act*, 2014. Schedule 9 of the bill, not yet proclaimed, amends the *Ombudsman Act* to give the Ombudsman jurisdiction in all areas of Ontario, except Toronto, and would potentially enable the ombudsman to do systemic investigations.

This would create a wider field for the Ombudsman to investigate and the ability to initiate their own investigations, as well as extend the Ombudsman's ability to obtain information, whether or not there is a secrecy clause in effect. This would enable the Ombudsman to look into information that the integrity commissioner has gathered in secret. This could have a chilling effect, as the information would not be subject to solicitor-client privilege.

The panel discussed other ways in which these changes could be problematic, including the broad impact of systemic reviews, limits to the scope of what an Ombudsman can deal with, that the legislation may be too blunt an instrument, and that an auditor general might have been a better choice to carry out these functions.

The changes in Bill 8 seek to simplify the current patchwork model; however, the differences in the needs and operation of large and small municipalities were raised as

issues that might necessitate different approaches and different municipal acts, for these different working environments, and perhaps both local and provincial Ombudsmen.

Procurement Integrity and Supplier Debarment

Moderator: *Paul Lalonde, TI-Canada Board Member, Partner, Dentons Canada LLP*
Speakers: *Tom Barletta, Partner, Steptoe & Johnson LLP, Washington DC*
Richard LeBlanc, Associate Professor, Law, Governance and Business Ethics, York University
Eric Miller, Vice President, Innovation and Competitiveness, Canadian Council of Chief Executives
Louis Letellier, Directeur des contrats publics et des entreprises de services monétaires, Autorité des marches financiers du Québec
Rapporteur: *Paul Pimentel, Articling Student, Blaney McMurtry LLP*

Supplier integrity requirements and debarment have become very hot topics in Canada. The federal Integrity Framework has generated several headlines in recent months. Meanwhile, in Quebec, a vendor validation program requires all bidders on major contracts to obtain a business ethics certification from the Autorités des marchés financiers (AMF). Panelists discussed the main challenges involved in bidder debarment, whether it works to foster greater business ethics compliance and how to ensure bidder debarment best serves the public interest. They also highlighted the principles that should guide debarment and what can be learned from other jurisdictions, such as the US, where debarment has been a feature of the procurement process for many years.

The International Context: Macro Trends and How They May Affect Canada

The federal government in Canada is aggressively pursuing an integrity framework for the public procurement process. Debarment will be a main feature of this framework. With this in mind, panelists discussed trends that are likely to come into play in an integrity framework and the practical consequences of a debarment regime.

The US Perspective

In the US, a robust suspension and debarment process has been in place since the 1980s, offering potential models to consider in the Canadian context.

The suspension and debarment regime there is focussed on assessing whether a contractor has a satisfactory record of business ethics and integrity. It is a discretionary rather than automatic process.

Suspension and debarment are used in cases of fraud in connection with government contracts, bribery, falsification of records, making false statements and any other offence that indicates lack of integrity. Suspension or debarment is company-wide and government-wide. Suspension or debarment at the federal level could potentially jeopardize contracts at the state level.

There is no automatic suspension or debarment of affiliates in the event that a company has been suspended or debarred. The suspension/debarment process is also decentralized. Each procuring agency has its own suspension and debarment official. There are significant variations in terms of sophistication and processes among departments. The Department of Defense has perhaps the most experienced and developed suspension and debarment process. Other agencies are making efforts to improve.

The suspension and debarment process typically involves notice from the government agency involved, followed by an opportunity for the company involved to make a response and put forth arguments. Agency decisions are subject to judicial review. Federal regulations dealing with suspension and debarment take into consideration mitigating factors, such as whether a company cooperated with government investigations, whether the company paid all fines, and whether remedial measures were taken.

Quebec's Integrity Regime

Quebec has introduced an integrity regime that is unique in Canada and which offers significant lessons for other jurisdictions.

The regime involves an authorization process aimed at addressing collusion and corruption among contractors. In order to bid on government contracts greater than $5 million in value, a contractor must obtain a licence from the AMF, which is the Quebec securities regulator. The application for the licence is reviewed by Quebec's Associate Commissioner for Audits, who will then recommend whether to extend the licence to that particular contractor. The AMF will subsequently make a decision as to whether to extend the licence or reject the application.

The regime features both automatic and discretionary refusal of the license. For example, if a main stakeholder, a director or an officer of the contractor was found guilty of certain crimes in the previous five years, the application would automatically be rejected. In other instances, the AMF has discretionary authority to refuse a licence.

Contractors will usually be advised of the reasons for refusal before the refusal is issued. This gives them the opportunity to address the reasons for refusal. For example, contractors can demonstrate that the facts that a potential refusal were based on were incorrect, or the company can demonstrate that it has taken corrective measures to address the reasons for refusal. The focus of the licensing process is rehabilitation rather

than punishment. The AMF has issued seven refusals to date, all of which have been challenged and upheld by the courts.

The consequence of AMF refusal is that the contractor is banned from bidding on Quebec government contracts for a period of five years. The barred contractor goes on a list of barred contractors maintained on the Quebec treasury board's website. A list of AMF-approved contractors is maintained on the AMF's website.

Corporate Concerns with the PWGSC Integrity Framework

The March 2014 changes to the Public Works and Government Services Canada (PWGSC) integrity framework caused concern amongst many corporations. In its latest Budget, the government has committed to developing a more equitable integrity framework. It is hoped that the government will learn from and address concerns raised with regard to the March 2014 integrity framework.

Lessons learned from the March 2014 changes to the integrity framework include the following:

1) It is important to consult broadly when developing a regulatory framework. A broad consultation process helps flag potential problems before the framework is implemented, rather than attempting to address problems after the fact.
2) It is important to minimize politics when developing an integrity framework, although it is recognized that this is easier said than done. An integrity framework should be based on sound policy and law.
3) It is important to involve expert advisors – advisors who understand how and why certain corporate structures are established and who understand what is going on in other jurisdictions.

The Effectiveness of Vendor Debarment

Attendees questioned whether there is empirical evidence that debarment improves compliance. One commentator noted that it may be difficult to prove empirically that debarment improves compliance; there may not be empirical evidence to support the connection. It was noted that debarment is something large companies fear; it influences their decisions regarding whether to have a robust compliance program. In addition, the specifics of how and when debarment is applied will have a significant impact on compliance. Automatic debarment for a period 10 years will lead companies to hide integrity offences. Rewarding disclosure will have better outcomes.

The Appropriate Length of Time for Debarment

It was suggested that debarment be proportional and discretionary, with principles articulated to guide the length of time debarment would last. For example, C-Suite

involvement in an integrity offence would call for a more lengthy debarment than an integrity office perpetrated by lower level employees. It was also suggested that a remedial process which allows companies to work through their problems and get back on-side be incorporated into any debarment regime.

Speakers' & Moderators' Bios

Thomas P. Barletta is a partner in the Washington office of Steptoe, where he is a member of the Litigation Department and Intellectual Property group. Mr. Barletta concentrates in government procurement law and policy matters. He advises clients on cost allowability and cost accounting, contract pricing, and contract financing issues. He also represents clients on GSA multiple award schedule contract matters, acquisitions, including due diligence and novations, teaming agreements, government contract intellectual property issues, including technical data and patent rights, facility security clearance issues, and other government contract regulatory and contract compliance issues. He also advises clients on pre-protest issues, preparation of REAs and assessments of potential claims. Mr. Barletta has substantial experience in government contract related litigation, ADR, and other proceedings, including bid protests, claims, internal investigations, government audits and investigations, suspensions and debarments, and civil False Claims Act and *qui tam* actions and prime contractor/subcontractor disputes. He has also focused on representing public utilities in connection with privatization and energy savings contracting matters, and on government procurement of healthcare related services. More recently, he has advised clients on issues arising under the American Recovery and Reinvestment Act, including its "Buy American" requirement. Mr. Barletta is a former member of the Council of the American Bar Association's Section of Public Contract Law. He was the chair of the Section's Accounting, Cost and Pricing Committee and a co-chair of the Section's Working Group on Price-Based Acquisition. He is currently a member of the Section's Bid Protest Committee and is a past-chair of the Section's Annual and Quarterly Programs Committee. Mr. Barletta has written and spoken on numerous topics in the government procurement area, including Price Reduction clause, contract scope and Trade Agreements Act issues under GSA MAS contracts; intellectual property rights under government contracts; access to records; competition, source selection and bid protests; False Claims Act litigation; the cost principles and CAS; contract debt collection; and the attorney-client privilege. He also authored the "Regulatory Report" in the *Costs, Pricing & Accounting Report* published by Federal Publications from 1988-1998.

Milos Barutciski chairs the International Trade and Investment Group at Bennett Jones LLP. He has represented Canadian and international companies in anti-corruption investigations and compliance matters in Canada and abroad, including ongoing investigations by the RCMP and foreign government agencies. He has also represented international companies in corruption investigations by the World Bank and appeared as counsel before the World Bank's Sanctions Committee. Mr. Barutciski was intimately involved in the OECD's work on the 1997 OECD Anti-Bribery as a representative of the Business and Industry Advisory Committee to the OECD, and also advised the Government of Canada on the drafting of the Corruption of Foreign Public Officials Act. He is a member of the Commission on Corporate Responsibility and Anti-Corruption of the International

Chamber of Commerce. In April 2013, Mr. Barutciski was elected to the Executive Board of the International Chamber of Commerce for a three-year term and is currently a member of the Board of Transparency International Canada (TI-Canada).

David Beatty is Conway Chair of the Clarkson Centre for Business Ethics and Board Effectiveness. Currently, he serves as a Director of FirstService Corporation, Walter Energy and Canada Steamships Lines. Over his career he has served on over 35 Boards of directors and been Chair of 8 publicly traded companies. He was the founding Managing Director of the Canadian Coalition for Good Governance (2003-2008). Mr. Beatty served on Peter Drucker's Foundation Board in the United States for over a decade, the last few years as Vice Chairman and was Chair of Upper Canada College from 1992-97.

Mary Ellen Bench joined the City of Mississauga in May, 2001 as City Solicitor. She was called to the Bar in Ontario in 1986. In 2003 the International Municipal Lawyers Association ("IMLA") conferred upon her the designation of Local Government Fellows. In 2006 she achieved the designation of Certified Specialist (Municipal Law – Local Government/Land Use Planning and Development Law) from the Law Society of Upper Canada. Ms. Bench is Treasurer of the International Municipal Lawyers Association (IMLA) and is the 2015 recipient of the OBA's Tom Marshall award.

Garry W. G. Clement is in high demand for conferences, workshops and training sessions. He relies on his 34 years of policing experience, having worked in roles as the National Director for the Royal Canadian Mounted Police's Proceeds of Crime Program, in addition to having worked as an investigator and undercover operator into some of the highest organized crime levels throughout Canada. Mr. Clement has been widely quoted by many published authors in such books as: The Road to Hell, (Julian Sher) an overview of the Hells Angels, Dispersing the Fog, (Paul Palango) an overview of RCMP, Smokescreen, a book on Mr. Clement's 1996 undercover operation into tobacco smuggling from the US into Canada which resulted in the highest civil penalty against the cigarette companies in Canadian History, Paper Fan (Terry Gould) flowing from Mr. Clement's tour in Hong Kong , the book describes the international search for Wong, Lik Man a notorious "triad" member and other magazines and news print, as well as having been featured in the national news program W-5. Mr. Clement is a frequent guest of CTF, Global and CBC National News. He has worked in the AML arena since 1983 and was one of the pioneers of the RCMP's proceeds of crime program. Since 1997 he has worked as a consultant with a focus on financial crime and independent money laundering reviews for the money service business industry, credit unions and securities firms. Mr. Clement has provided training in Hong Kong, Ireland, Panama, Colombia, United Kingdom, Jamaica, Antigua, USA and every province in Canada to law enforcement, the financial sector, prosecutors and government

leaders. He is frequently asked to speak at events organized by ACAMS, ACFE, ACFCS, Osgoode Law School, Canadian Institute, the Canadian MSB Association, KAW Management Services and CuSource. Most recently he has been asked to be a keynote speaker at the BSE Broker's Forum in Mumbai, India.

Peter Dent is a Partner, the Americas Leader and the Global Financial Crime Initiative Leader of Deloitte Forensic. He has over 20 years of experience practicing in the areas of investigating and providing expert testimony regarding allegations of fraud and corruption with a focus in the global arena, in addition to providing anti-fraud and anti-corruption strategies in the public and private sectors. Between 2000 and 2004 Mr. Dent was the Team Leader of the Forensic Services Unit within the Department of Institutional Integrity of the World Bank Group in Washington, DC, leading international fraud and corruption procurement investigations into World Bank financed projects. In addition, he has experience working with the United Nations (UNDP and UNPS), evaluating and strengthening their anti-corruption strategies in their procurement processes. Currently Mr. Dent is the Chair and President of Transparency International Canada, and a former Director of the Alliance for Excellence in Investigative and Forensic Accounting. In addition, he is a faculty member of the Director's Education Program at the Rotman School of Management, University of Toronto, where he lectures on a Director's responsibility with respect to fraud prevention. Prior to joining Deloitte, Mr. Dent was a Police Constable with the York Regional Police Force and, after joining Deloitte, spent 3 years with RCMP commercial crime on secondment from Deloitte.

Carol Hansell is the founder and Senior Partner of Hansell LLP. Over her more than 25 years in practice, she has led major transactions for public and private corporations and governments. She now leads an independent firm, dedicated to advising boards, management teams, institutional shareholders and regulators in connection with legal and governance challenges. She is regularly engaged in connection with special committee mandates, board investigations, governance reviews, dissident engagements with boards and proxy fights. Ms. Hansell has served on boards of organizations across a variety of sectors – public companies, Crown corporations, healthcare, not-for-profit and arts organizations. She currently serves on the boards of the Global Risk Institute in Financial Services, SickKids Foundation, the Toronto Symphony Orchestra and the International Corporate Governance Network (ICGN). She recently retired as a director of the Bank of Canada and has served on the boards of the Public Sector Pension Investment Board, Toronto East General Hospital and Royal Group Technologies Inc. She was inducted as a Fellow of the Institute of Corporate Directors (ICD) in 2013. Ms. Hansell is the only non-American to serve as the Chair of the Corporate Governance Committee of the American

Bar Association (Business Law Section) and continues to serve as Special Canadian Advisor to the Corporate Laws Committee of the ABA.

Don H. Jack is a litigator who practises in the areas of commercial, administrative, private, international, family and constitutional law. He has appeared before all levels of court, including the Supreme Court of Canada. Mr. Jack is noted as a leading expert in *Litigation & Alternative Dispute Resolution: Corporate Advisor Handbook 2013,* and is recognized in *The Best Lawyers in Canada* in the fields of Alternative Dispute Resolution and Corporate and Commercial Litigation and he is also recognized in *Lexpert* as one of the 100 Most Creative Lawyers in Canada, 2006. Mr. Jack is recognized in *The Canadian Legal Lexpert Directory* as one of Ontario's repeatedly recommended corporate litigation counsel. He was also appointed as counsel to the Complaints Review Commissioners of the Law Society of Upper Canada, 1999, and was appointed to the Ontario Civil Rules Committee, 1997-2008. He was also appointed by the Law Society of Upper Canada as a member of the Civil Litigation Specialty Committee of the Law Society's Specialist Certification Program, 1994, and was certified by the Law Society of Upper Canada as a Specialist in Civil Litigation, 1990. Mr. Jack has also been involved in the following teaching engagements: Instructing Participant, Osgoode Hall Law School, 2001; Joint Instructor, Osgoode Hall Law School, 1999; Instructor, Intensive Trial Advocacy Seminar, Osgoode Hall Law School, 1983-1993; Instructor, Bar Admission Course, Law Society of Upper Canada, 1977-1981. Don is also a member of the Law Society of British Columbia, Canadian Bar Insurance Association, The Advocates' Society, Toronto Lawyers Association, Cross-Border Litigation Forum, Steering Committee, ADR Institute of Ontario and the American Bar Association.

Glen Jennings is a partner in Gowlings' Toronto office and leader of the firm's White Collar Defence and Investigations Group. He oversees a multi-jurisdictional and multidisciplinary team that offers a range of specialized services to clients, including corruption and bribery prevention, crisis management, internal investigations, corporate risk and compliance programs, due diligence in business transactions, and white collar defence. Mr. Jennings is a seasoned litigator in both criminal and regulatory matters, he has extensive experience in white collar defence, complex regulatory issues, internal investigations, and corporate risk and compliance. He has previously practised criminal law as both a defence lawyer and assistant Crown Attorney. He is a sessional instructor at the University of Windsor Law School, teaching "Law and White Collar Crime.

Tony Keller is the editorials editor of the Globe and Mail. His journalism career spans over two decades. He has been an editorial writer, columnist and editorials editor for *The Globe and Mail*; columnist for the *Toronto Star, Report on Business Magazine* and *Toronto Life*; managing editor of *Maclean's*; and editor of *The Financial Post Magazine*. Mr. Keller

has also been an on-air essayist for TVO's "The Agenda with Steve Paikin." and an anchor on BNN, Canada's Business News Network.

Bruce Kidd is a Vice-President of University of Toronto and Principal of University of Toronto Scarborough Campus, and Professor, Faculty of Kinesiology & Physical Education, as well s former Warden of Hart House. Dr. Kidd is a renowned scholar, community activist and seasoned and respected academic leader. He brings a lifetime of experience at the University of Toronto and volunteer leadership in Canadian and international sport, community and culture to the University of Toronto Scarborough. Teaching and writing extensively, Dr. Kidd has authored or edited ten books and hundreds of articles, reports, plays and scripts. As a volunteer, he chairs the Selection Committee, Canada's Sports Hall of Fame, and, during his career, has contributed to many other leading community organizations. He is Past Chair, MLSE Foundation; Past Chair of the Commonwealth Advisory Body on Sport; and a former member of the Selection Committee, Research Grant Program, Olympic Studies Centre, International Olympic Committee. Involved in the Olympic Movement throughout his life, Dr. Kidd has participated in the Games as an athlete (track and field, 1964), journalist (1976), contributor to the arts and culture programs (1976 and 1988) and accredited social scientist (1988 and 2000). He was founding chair of the Olympic Academy of Canada (1983-1993) and lectures at the International Olympic Academy. He is an honorary member of the Canadian Olympic Committee. In 2004, Prof. Kidd was appointed an Officer of the Order of Canada.

James Klotz is a corporate integrity specialist and leads Miller Thomson's Anti-Corruption and International Governance Group. He is a member of the Management Board of the International Bar Association and of the Advisory Board of the Allard Prize for International Integrity. Although not a soccer fan, he has been a member of FIFA's Independent Governance Committee since 2011. Mr. Klotz is listed in International Who's Who of Investigations Lawyers, 2015 and Canada's Best Lawyers 2015, and received the Award of Excellence in International Law from the Ontario Bar Association in 2012. He is a past-President of Transparency International Canada.

Monica Kowal is Vice-Chair, Ontario Securities Commission. She has over 25 years of experience in capital markets law and policy spanning both the public and private sectors. Most recently, Ms. Kowal continues to play a leading role on the Cooperative Capital Markets Regulatory System initiative as well as other major policy initiatives of the OSC. Before becoming Vice-Chair, Ms. Kowal was General Counsel of the OSC, building a 15 person in-house legal, policy and risk management resource to the Commission while leading a number of regulatory reform agendas including modernizing derivatives legislation following the 2008 financial crisis. As a trusted advisor to governments and an

expert in capital markets regulation, Ms. Kowal was seconded to the Canadian Securities Transition Office where she led the federal derivatives regulatory initiative and co-led the harmonization of provincial securities regulation. Prior to joining the OSC, Ms. Kowal was a partner at Blake, Cassels & Graydon LLP where, as a member of the Blake securities group, she was involved in extensive securities and corporate law matters.

Paul M. Lalonde is a partner at Dentons Canada LLP. His practice focuses on government contracting, anti-corruption law and international trade and dispute resolution. He is widely recognized as a leader in his fields in multiple directories including Lexpert, Chambers Global, The Best Lawyers in Canada, the International Who's Who of Public Procurement Lawyers, Who's Who Legal: Canada and the Legal 500. Mr. Lalonde has also been recognized by the Canadian Legal Lexpert Directory in international trade relations and is listed in the Lexpert Guide to the Leading US/Canada Cross-border Litigation Lawyers in Canada. Mr. Lalonde is a member of the Board and Chair of the Legal Committee of Transparency International Canada and a member of the Canadian Bar Association Anti-Corruption Team.

Richard Leblanc is one of Canada's leading experts on corporate governance and accountability. He is an award-winning teacher and researcher, lawyer, public speaker, consultant, and specialist on boards of directors. He has taught at leading universities including Harvard University. He is a former recipient of Canada's Top 40 Under 40™award; received a teaching award as one of the top five university teachers in Ontario; and was named to *Canadian Who's Who*. Dr. Leblanc brings to business and professional audiences a depth of information from his extensive research and work with over 150 organizations; and training, assessment and development of over 1,000 directors and managers. Because of his work with leading companies and current research, Dr. Leblanc is always on the *cutting edge* of emerging global developments. He possesses an extensive and diversified professional network. He is the founder of the LinkedIn Group "Boards and Advisors," with over 18,000 members globally, which is the largest and most active online corporate governance group. His work, directly or indirectly, has impacted companies throughout the world, including those that have used Dr. Leblanc's methodology to strengthen their governance effectiveness and accountability practices. His insight has guided leaders of organizations through his teaching, writing and direct consultation to government regulators and national and multi-national corporations. He has provided extensive service as an external advisor to boards of directors that have won national awards and peer endorsement for their governance practices. Dr. Leblanc possesses a Bachelor of Science degree, an MBA, Canadian and American law degrees, a Masters in Law, and a PhD focusing on corporate governance.

Louis Letellier is Director Public Contracts and Money Services-Businesses at the Autorité des marchés financiers (AMF). He supervises the teams responsible for the issuance of authorizations to enterprises that wish to enter into a contract with a public body and the issuance of licences to enterprises that want to operate a money-services business in Quebec. Prior to joining the AMF in 2009, Mr. Letellier occupied the position of Senior Counsel (business and transactions) at Desjardins Financial Security, where he negotiated several important contracts. Mr. Letellier holds a master degree in taxation from the University of Sherbrooke. He previously worked as a tax specialist for PricewaterhouseCoopers. Mr. Letellier holds a law degree from Laval University (LL.B.) and has been a member of the Quebec Bar since 1998.

Greg Levine is a lawyer practicing in Ontario with an office in London. He recently co-instructed a course on administrative law and ethics at York University and he is a member of York's Collegium on Practical Ethics. His law practice focuses on municipal and administrative law and he is currently the integrity commissioner for five Ontario municipalities. He is the author of three books -*The Law of Government Ethics: Federal, Ontario and British Columbia, Municipal Ethics Regimes, Ombudsman Legislation in Canada: An Annotation and Appraisal* - and numerous articles, papers and reports on governmental ethics law. Mr. Levine was an expert witness on the policy panels of two major ethics inquiries – the Mulroney – Schreiber Inquiry (Oliphant Commission) and the Mississauga Inquiry (Cunningham Commission).

Luc Major has over 15 years of experience with the federal government, including 8 years with Canada's Financial Intelligence Agency – FINTRAC. He is currently a Manager with the Financial Analysis and Disclosures Sector within FINTRAC and works with law enforcement across Canada, as well as Financial Intelligence Units around the world, in providing financial intelligence to detect, prevent and deter money laundering and terrorist financing. Prior to coming to FINTRAC, Mr. Major worked at Public Safety Canada as the Manager of Federal, Provincial/Territorial Relations with the Aboriginal Policing Directorate and helped administer the First Nations Policing Program. He also worked in several other departments during his career, including Transport Canada and Canada Revenue Agency. Mr. Major received his formal education in History from the University of Ottawa.

Greg McArthur is a reporter with The Globe and Mail in Toronto. His work includes extensive research into corruption and illicit payments – from the cash-filled envelopes accepted by former prime minister Brian Mulroney to the bribery scandal embroiling SNC-Lavalin. Last year, his reporting revealed that former Toronto Mayor Rob Ford, and his councillor brother Doug, lobbied city staff to provide a number of benefits – including

multi-million dollar tax breaks and city contracts – to clients of the Ford family's sticker business.

Matthew McGuire, CPA and CA, is the leader of the National Anti-Money Laundering Practice and Ontario Region Investigative and Forensic Services Group at the 6th largest accounting firm in Canada, MNP LLP. He is a member of the Department of Finance Private/Public Advisory Committee on AML/ATF, Chair of the AML Committee of CPA Canada, Founder of the Seneca College Institute for Financial Crime Analysis, and Representative for the ATM Industry Association Bitcoin Governance and Risk Committee. Together with his team of full-time dedicated AML specialists in offices across Canada, Mr. McGuire leverages his regulatory and investigative experience to empower our clients with regulatory compliance and financial crime risk mitigation strategies, with a focus on federally regulated financial institutions, emerging payment technologies, and credit unions. He is also involved in financial crime investigations and litigation support. Mr. McGuire has been qualified by the Ontario Superior Court of Justice as an expert witness in forensic accounting and money laundering, has twice testified before Senate committees, once before a House of Commons Parliamentary Committee, is certified as an Anti-Money Laundering Specialist (CAMS) by the Association of Certified Anti-Money Laundering Specialists, accredited as an Anti-Money Laundering Professional (AMLP), and Certified in Financial Forensics (CFF) by the AICPA. Mr. McGuire speaks on the topic of money laundering and financial crime to reporting entities, law enforcement, prosecutors, financial intelligence units (including training programs for the FIUs of Trinidad and Panama), universities, and conferences. Mr. McGuire has overseen forensic cases worldwide. He holds an Honours Bachelor of Arts and a Master of Accounting degree from the University of Waterloo. In 2005, he completed and was valedictorian for the 2-year Diploma in Investigative and Forensic Accounting program at the University of Toronto.

Eric Miller is Vice President of Policy, Innovation, and Competitiveness at the Canadian Council of Chief Executives, which represents the CEOs of 150 of Canada's leading companies. He manages relations with the United States and Mexico and is also responsible for anti-corruption policy, regulatory cooperation, border and supply chain issues, cybersecurity, the digital economy, and innovation economics. Before joining the Council in 2013, Mr. Miller represented Industry Canada in Washington, DC. He was responsible for advising senior officials on U.S. economic relations. He also served as a member of the Canadian negotiating teams that developed the Beyond the Border Action Plan and Canada's investments in the restructuring of the Chrysler and General Motors. Mr. Miller has extensive international experience, having advised 40 governments in Asia-Pacific and Latin America on trade and economic policy and worked for the Inter-American Development Bank – a leading international financial institution. Mr. Miller has testified

before the Canadian Parliament on the future of North America, the U.S. Congress on global competitiveness metrics, and represented a coalition of developing countries on International Monetary Fund governance. A native of rural Nova Scotia, Mr. Miller holds a Master's Degree in International Affairs from Carleton University, a Graduate Diploma from the Bologna Center of the Johns Hopkins School of Advanced International Studies, and a Bachelor 's Degree (Honours) from Saint Mary's University.

Martin Mueller, formerly Chief Compliance Counsel at Nexen Inc., is a senior Integrity and Compliance executive specializing in international anti-corruption compliance and training programs. Throughout his corporate and legal career, he has focused on advising senior management and Boards of Directors on business legal and compliance issues. Mr. Mueller is experienced at overall Integrity and Compliance Programs including policy development, programs to maintain corporate culture, effective integrity messaging and employee training. He has been involved in business code of conduct and policy development as well as updating and managing anti-corruption compliance programs. Mr. Mueller is a Board Member of TI-Canada, Chair of its Extractive Industries Committee and is also a member of the Canadian Mirror Committee ISO PC278 Anti-bribery Management Systems, working on the development of an international Anti-bribery Management System Standard.

Sylvain Perreault is Chief Compliance Officer of Desjardins Group since March 2011. Prior to this appointment, he was Chief Operating Officer of Desjardins Securities. He has been with Desjardins since 2004. Mr. Perreault is currently Chair of the Board of the Investment Industry Association of Canada (IIAC), member of the board of Transparency International Canada Inc. and member of the Special Regulatory Committee of the Bourse de Montréal. He is past-Chair of the Compliance and Legal Section (CLS) of the Investment Industry Regulatory Organization of Canada (IIROC), past-Chair of the National Advisory Committee (NAC), past-Chair of the Quebec District Council of IIROC and past-Chair of ACAMS' Montreal Chapter (Association of Certified Anti-Money Laundering Specialists). Mr. Perreault is a member of the Quebec Bar Association (1984), and between 1988 and 1997, he occupied many functions at the Montreal Exchange, one of them being the Senior Vice President, Markets. He was also Director, Capital Markets, at PricewaterhouseCoopers, where he managed, among other things, the launch of marketplaces in emerging markets. Mr. Perreault was one of the founders of Jitney Group, a brokerage firm specializing in pro trading, where he assumed presidency until 2004.

Richard Pound is one of Canada's most-recognized figures in international sport. In his distinguished career, the native of St. Catharines, Ontario, was a two-time vice-president of the International Olympic Committee (IOC) and was responsible for all Olympic television

negotiations, marketing and sponsorships, up to and including the 2008 Olympic Games in Beijing. Mr. Pound has been a COC executive member since 1968 and its secretary general for eight years before becoming COC president in 1977 (to 1982). He was founding president of the World Anti-Doping Agency (WADA), created in 1999 to coordinate the fight against doping in sport. His involvement continues post-2007 as IOC representative on the WADA Foundation Board. In sum, his career has touched nearly all aspects of the Olympic Games and Movement. As an athlete, Mr. Pound was a double Olympic swimming finalist, at the 1960 Olympic Games, and captured four medals (one gold, two silver, one bronze) at the 1962 Commonwealth Games. From 1958 to 1962, Mr. Pound won several national swimming titles and was elected into the Canadian Swimming Hall of Fame and Canada's Sports Hall of Fame. In 2002 he received the Gold Medallion Award from the International Swimming Hall of Fame. Mr. Pound has also been a nationally-ranked squash player. He was awarded the Canadian Olympic Order (Gold) in 1996 and is a member of the Canadian Olympic, Canadian Amateur Athletic and the Quebec Sports Halls of Fame. He is currently Chancellor *Emeritus* of McGill University, having served as Chancellor from 1999 to 2009, and was chair of its Board of Governors from 1994 to 1999. Mr. Pound is a Companion of the Order of Canada and an Officer of l'Ordre national du Québec. He is also Counsel in Stikeman Elliott's tax section in Montreal.

Mike Savage is the practice leader for fraud investigation and dispute services for Ernst & Young in Canada, a Chartered Professional Accountant, Certified in Financial Forensics and a Certified Fraud Examiner. Some selected examples of Mr. Savage's experience in dealing with corruption and bribery include:

- Testified as expert witness in the criminal prosecution of a former Member of Parliament in Africa for bribery and corruption;
- Advised management of a Fortune 50 company on compliance with a deferred prosecution agreement, including the design of the remedial measures program, interactions with the compliance monitor and regulators;
- Assessed corruption and fraud risk programs at a range of clients, providing practical and recommendations for sustainable solutions;
- Investigated allegations of bribery and corruption for clients in many countries, including Canada, the USA, Mexico, Chile, Argentina, Venezuela, the UAE, Bahrain, China, India, Brazil, Guatemala, Mauritius, Malaysia, Madagascar and Sri Lanka, South Africa, Botswana, Zambia, Namibia, Nigeria, Equatorial Guinea, Algeria, Kenya and Tanzania.
- Contributed two chapters to "*The Guide to Investigating Business Fraud*", a book published by the American Institute of Certified Public Accountants.

Andrew Wiese is Crown Counsel at the Public Prosecution Service of Canada. He works in the Anti-Organized Crime Unit which focuses on wiretap and complex drug, criminal organization and proceeds of crime prosecutions in the Greater Toronto area. He is also currently working on a *Corruption of Foreign Public Officials Act* prosecution involving former employees of SNC-Lavalin. Mr. Wiese has appeared as both trial and appellate counsel in all levels of court in Ontario.