



Update on the Charbonneau Inquiry

The Charbonneau Inquiry resumed its hearings on September 3, 2013 with testimony regarding the Outaouais region of Québec that includes Gatineau.

Testimony provided by Marc-André Gélinas, a regional General Manager at AECOM (which purchased Tecsumt in 2008, leading to the eventual cessation of illegal activities), was to the effect that employees of four major Quebec-based consulting engineering firms, namely CIMA+, Genivar, Tecsumt and Dessau, allegedly colluded for contracts in the Outaouais, meeting privately behind closed-doors – under the guise of fictitious and unsanctioned meetings of the Association des ingénieurs-conseils du Québec (AICQ) – to organize their fraudulent activities. In his statements, Mr. Gélinas clearly stated that these were fake meetings scheduled to minimize suspicions. AICQ, an ACEC Member Organization, has denounced the unauthorized use of their Association's good name as a front for fraudulent activities. Click [here](#) to view the article published by AICQ.

The testimony has heightened the awareness and profile of the challenges that the consulting engineering sector faces at the national level. This is as a result of two key factors:

1) The Globe and Mail's Daniel Leblanc has questioned whether collusion was also possible on federal government projects:

“The firms located in the National Capital Region also offered their services at the time to the federal government, according to federal records. However, the Charbonneau inquiry has a provincial mandate and cannot examine practices at the federal level, leaving unanswered questions about the existence of any collusion on federal contracts over the years.”

- [Charbonneau probe told of four Gatineau engineering firms' alleged role in bid-rigging](#), The Globe and Mail, September 3, 2013.

This could lead to statements from the Government and the Opposition on federal procurement and result in further media interest. Note that as of yet, there have been no specific allegations with respect to federal procurement.

2) Media have also reported that Francois Paulhus, a federal appointee on the National Capital Commission Board of Directors has been implicated in Mr. Gélinas' testimony. Mr. Paulhus, a former Managing Partner at Genivar, has since taken leave from the NCC Board in light of the allegations.

In light of the controversy surrounding other appointments made by the federal government (e.g. Senators Mike Duffy and Pamela Wallin), it is likely that this appointment will be closely scrutinized – drawing more attention to the allegation of collusion in the consulting engineering sector.

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We want all members of ACEC to be aware of this developing situation that may impact the consulting engineering sector at the national level. As has been the case for the past months, ACEC is actively working with its public affairs and communications advisors to monitor this issue and prepare for any public or media inquiries.

With respect to these recent developments, ACEC's position is as follows:

- ACEC supports fair and transparent public procurement;
- ACEC is not aware of any collusion or any other criminal activity related to federal projects;
- Collusion or manipulation of public procurement by individuals working for consulting engineering firms is a betrayal of their own employees and colleagues, as well as the vast majority of consulting engineering firms that play by the rules;
- More importantly, collusion or manipulation of public procurement is a betrayal of taxpayers and the public; and
- ACEC will be saddened and angered if individuals working for ACEC member firms are proven to have participated in illegal or unethical activities and ACEC would expect that these individuals be held accountable.

Notwithstanding the troubling testimony of the Charbonneau Inquiry, we recognize that the vast majority of ACEC members and their employees conduct their affairs in an ethical, honest and law abiding fashion, making a vital contribution to the social, economic and environmental quality of life of Canadians.

Please contact ACEC President John Gamble if you have questions or concerns regarding this issue. Also feel free to refer any concerns expressed by your clients or queries from local media to the ACEC office.

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