

Commission Charbonneau

Collusion and Corruption in the Construction Industry

LESSONS FROM THE QUÉBEC EXPERIENCE

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To the Engineers Canada February 2015 Board Meeting

Ordre des ingénieurs du Québec

LA PROTECTION DU PUBLIC

Ça nous regarde... et on y voit!

The slide features a light blue and green background with abstract wave patterns and a cluster of interlocking gears in the bottom right corner.



The Charbonneau Commission in short...

- **Created in November 2011 and began its work in May 2012**
- **Mandate**
 - 1. Investigate on
 - the existence of collusion and corruption schemes
 - the possible connections with political party funding
 - potential infiltration activities by organized crime
 - 2. Propose potential solutions and make recommendations
 - on identifying, stopping and preventing collusion, corruption and infiltration by organized crime

Ordre des ingénieurs du Québec

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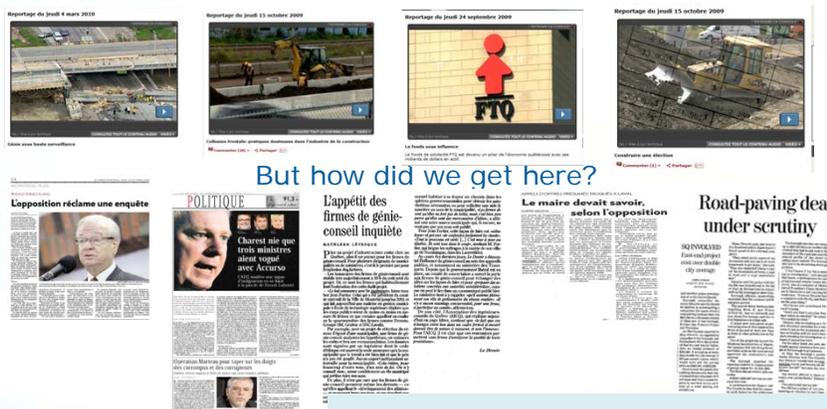
The Charbonneau Commission in short...

- **Findings to date**
 - Construction contractors and consulting engineering firms have rigged competitive bidding processes through a system of collusion
 - Complacent municipal officers accepted kickbacks to make it even easier for them
 - Percentages of the value of the construction contracts were paid to
 - the mafia
 - political party organizers
 - municipal elected officials and civil servants

The Charbonneau Commission in short...

- **Individuals concerned by the testimonials**
 - More than 100 engineers mainly employed by the City of Montreal, Laval, Quebec City, etc. consulting engineering firms and construction contractors
 - Construction contractors
 - Building trades unions
 - Municipal elected officials and political parties
 - Provincial political parties
- **More than 140 inquiries were opened by the Office of the Syndic**

September 2009 - March 2010: Countless media reports exposed the links between the construction industry, political party funding and organized crime



But how did we get here?

Genie under high surveillance

Government's response

- **Initial response**
 - September 2009 - Creation of a special anti-corruption and fraud squad (Marteau squad)
 - November 2009 - Report from Québec's General Auditor (recommendations to Québec's Ministry of Transport – MTQ)
 - December 2009 & February 2010 - Adoption of legislations:
 - to prevent, fight and punish certain dishonest practices in the construction industry (Bill 73)
 - to govern the processes of awarding contracts by municipal bodies (Bill 76)
 - February 2010 - Creation of an anti-collusion unit within the MTQ
 - February 2011 - Creation of a permanent anti-corruption unit (UPAC)

Government's response

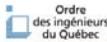
- **Second series of responses**
 - October 2011 – Concerted actions to strengthen the fight against collusion and corruption
 - November 2011 – Formation of the Charbonneau Commission
 - November 2012 – Budget plan announcement of stricter rules for planning and managing infrastructures
 - November 2012 - Integrity in Public Contracts Act
 - February 2013 – Act to amend the Professional Code with respect to disciplinary justice
 - June 2013 – Dessau on AMF's black list
 - September 2013 – Amnesty scenarios for the firms that are willing to reimburse the sums illegally received

Actions taken by the OIQ

- October 2009: **The OIQ is one of the first organizations to demand that a public inquiry be held**
- December 2009: Additional staff hired by the Office of the Syndic
- February 2010: Major injection of financial resources
- May 2010: Adoption of the 2010-2015 Strategic Plan
One of the main objectives: Restore and strengthen the bond of trust between the public and OIQ members
- May 2012: Intervener status granted by the Charbonneau Commission

Actions taken by the OIQ

- Implementation of an ethics and professional conduct action plan
 - 1-877-Éthique hotline (for the general public and members)
 - Exhaustive study on member ethics and professional conduct
 - Adaptation of the general supervision plan for the practice of the profession
 - Review of the inquiry processes of the Office of the Syndic
 - Mandatory professionalism course (online)
- Nearly 300 communications with members about ethics related subjects



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Actions taken by the OIQ

May 2013 - Our Commitment to the Public

- Protect the public
- Find solutions to the crisis
- Manage in a transparent way



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Actions taken by the OIQ

October 9, 2014 – The solutions that the Ordre des ingénieurs du Québec has recommended to the Commission Charbonneau (CEIC) run along two general lines:

- Québec's professional system and
- Review the process of awarding and managing contracts.

The screenshot shows the website of the Ordre des ingénieurs du Québec. The header includes the organization's name and a search bar. The main content area features a press release titled "Charbonneau Commission: The Ordre des ingénieurs du Québec proposes its solutions". The text of the press release states: "Montreal, October 9, 2014 – The solutions that the Ordre des ingénieurs du Québec has recommended to the Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry (CEIC) run along two general lines: modernize Québec's professional system and review the process of awarding and managing contracts." Below the main text, there is a link to "Amend the legislation respecting the professions". The left sidebar contains navigation links for "Media and documentation", "Press releases", "News", "Publications", "PLAN magazine", and "Annual reports". The footer of the page displays the organization's logo and the number "11".

The OIQ in the media

- **Strategy adopted**
 - Not hiding, but facing the music instead
 - Staying transparent and avoiding officialese
 - Working with others to be part of the solution rather than part of the problem

The screenshot shows the footer of the website, featuring the logo of the Ordre des ingénieurs du Québec and the number "12".

The OIQ in the media

- **Objective of our message**
 - Explain the professional system and the OIQ's role.
 - Show that we are taking action and making tangible efforts.
 - Making a distinction between the technical work of engineers and their business practices.
 - Clearing up confusion about controlling the practice of the profession versus controlling consulting engineering firms.

The OIQ in the media

- **How our messages have been received**
 - Positioned as an expert in the field
 - Persistent media focus on
 - the past actions that the OIQ has taken or not taken to prevent ethical offences
 - the way the OIQ intends to handle the offending engineers
 - the solutions to resolve the crisis



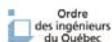
No one is safe...

- **The world of engineering is changing...**
 - Mobility of professionals (NAFTA, AIT, etc.)
 - Massive public investments and value of invested capital
 - Culture of business development: Race for profits in a very competitive market
 - Presence of organized crime in industries with money
 - Adaptability of organized crime and its ability to infiltrate legitimate businesses and political circles

Stay informed...and take action!

- Be aware and put out your feelers
- Be transparent and accessible, especially with the medias
- Maintain bilateral communication with members
- Make prevention the centre of all concerns
- Encourage and protect the whistleblowers
- Make examples of offensive behaviour
- Combine efforts with other regulatory bodies and police **forces**

Thank you for you attention!



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