

Prominent tax lawyer charged in SNC scandal

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The corporate scandal that has scarred SNC-Lavalin Group Inc. has expanded beyond the company's Montreal headquarters with the arrest of a prominent tax lawyer who faces criminal charges stemming from an undercover police operation.

Up until the beginning of this year, Constantine Kyres headed the tax group at the Montreal office of Dentons Canada LPP, the multinational law firm that was created when three firms, including Fraser Milner Casgrain, merged in 2013.

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Mr. Kyres was charged Wednesday with extortion and obstruction of justice as part of an alleged plot to pay for some sort of statement from Riadh Ben Aissa, a former senior vice-president with SNC and one of the central characters in the scandal that has shaken the Montreal-based engineering giant.

Sami Bebawi, another former senior SNC executive who authorities say was one of the architects behind the vast bribery and fraud scheme at the company, was also charged with obstruction of justice.

Reached on his cellphone on Wednesday afternoon, Mr. Kyres declined to comment. Mr. Bebawi could not be reached for comment. There is an outstanding warrant for Mr. Bebawi's arrest stemming from an earlier set of charges – including fraud, money laundering and bribing a foreign official – that were laid in January.

Mr. Kyres was drawn into the RCMP's investigation after the April, 2012, arrest of Mr. Ben Aissa in Switzerland, two law enforcement sources told The Globe and Mail. Mr. Ben Aissa and Mr. Bebawi have been identified by authorities in court documents as co-conspirators in a plot to both bribe Saadi Gadhafi, the son of the late Libyan dictator Moammar Gadhafi, and defraud SNC of tens of millions of dollars – money that flowed through numerous Swiss bank accounts.

At some point after Mr. Ben Aissa's arrest, Mr. Bebawi was able to get a message to him in Switzerland, the sources alleged. What Mr. Bebawi didn't know at the time was that Mr. Ben Aissa was co-operating with authorities and he informed them about Mr. Bebawi's overture, the sources alleged.

Eventually, Mr. Ben Aissa agreed to have an intermediary meet with a representative of Mr. Bebawi, the sources said. Mr. Bebawi's representative was Mr. Kyres; Mr. Ben Aissa's intermediary was an undercover police officer, the sources said. Whatever was said in the alleged exchanges between the undercover officer and Mr. Kyres resulted in Wednesday's charges against the lawyer and Mr. Bebawi, the sources said.

The investigation into Mr. Bebawi, Mr. Ben Aissa and their payments to Mr. Gadhafi are just one part of multiple corruption investigations that prompted a complete overhaul of SNC's executive ranks more than two years ago. Quebec's anti-corruption task force has also alleged that SNC made a \$22.5-million payment that police say was to be split by two administrators of Montreal's English-speaking hospital network in exchange for winning the contract to construct a new \$1.8-billion hospital. Amongst the former SNC executives charged in that

matter are the company's former chief executive, Pierre Duhaime, and Mr. Ben Aissa. The task force also announced Wednesday that it had laid 11 new charges against a former SNC controller, Stéphane Roy, in connection with the alleged hospital bribes.

Several SNC officials have also been charged in Toronto in connection with an alleged conspiracy to bribe officials in Bangladesh to win a contract to oversee construction of a World Bank-financed bridge project.

According to Mr. Kyles's website, he launched his own law practice in January of this year. A representative from Dentons did not respond to a request for comment.

In a statement, the RCMP's national division said the charges further show the force's commitment to "maintaining Canada's reputation as a fair and transparent society." Mr. Kyles is scheduled to appear in court on Sept. 18. Mr. Bebawi is not in Canada. Another warrant for his arrest has been issued.