

SNC-Lavalin scored MUHC contract with multi-million dollar bribe: SQ officer

Investigator calls alleged superhospital collusion the most substantial Canadian fraud case ever

BY MONIQUE MUISE, THE MONTREAL GAZETTE MAY 20, 2014 3:29 PM

MONTREAL — A lead investigator with the Sûreté du Québec's Hammer squad says the collusion surrounding Montreal's new superhospital represents the most substantial fraud case ever seen in Canada.

Jean-Frédéric Gagnon took the stand at the Charbonneau Commission on Tuesday morning to corroborate testimony heard last week from the inquiry's own investigators.

The SQ's probe of the \$1.3-billion contract to build the new McGill University Health Centre's superhospital began in early 2012, Gagnon said.

Investigators quickly realized that there had been regular and improper communication between employees of the MUHC (including former director Arthur Porter and executive Yanai Elbaz) and representatives from engineering giant SNC-Lavalin (including former CEO Pierre Duhaime and vice-president Riadh Ben Aïssa).

The engineering firm had its eye on the lucrative contract from the start, Gagnon said, and was allegedly able to come to an agreement with Porter and Elbaz that ensured the work would be awarded to a consortium headed up by SNC in exchange for a \$30-million bribe.

In the end, perhaps due to the complexities involved in cheating the system, only \$22.5 million was allegedly transferred to Porter and Elbaz, who reportedly shared his half of the bribe with his brother.

The transactions were hidden using seemingly legitimate payments made by SNC Lavalin to a series of shell companies set up by Porter and Elbaz, Gagnon said.

The broad strokes of the alleged fraud were already well known thanks to sworn police affidavits obtained by various media outlets over the past 18 months.