

MR. RUBY - SUBMISSION and DISCUSSION

1 Wednesday.

2 MR. PAUL CORMIER, duly called and sworn, testified as follows:

3 EXAMINATION BY MR. ORSBORN

4 MR. ORSBORN

5 One housekeeping matter, My Lord, before Mr. Cormier
6 commences. There had been a booklet of documents circulated to
7 counsel and provided to Your Lordships. I understand that the
8 appropriate exhibit number is number 173.

9 EXHIBIT 173 - MacLEAN DOCUMENTS *

10 Q. Mr. Cormier, your name is spelt C-O-R-M-I-E-R.

11 A. That's right.

12 Q. You live in Halifax currently, sir.

13 A. Yes, I do.

14 Q. And I understand you are the Auditor General of Nova
15 Scotia.

16 A. I am.

17 Q. Forgive me if during the examination I call you the Attorney
18 General, we've been so used to thinking of the AG as the
19 Attorney General that I might slip. Do I understand that
20 you are a Fellow of the Institute of Chartered Accountants of
21 Nova Scotia?

22 A. That's correct.

23 Q. And you were appointed at Auditor General in...formally in
24 September of 1984.

25 A. That's right.

MR. CORMIER, EXAM. BY MR. ORSBORN

1 Q. And do I understand that approximately for a year prior to
2 that you were acting Auditor General?

3 A. I was.

MR. CHAIRMAN

4 Was your answer as acting...

MR. ORSBORN

6 Formally appointed, My Lord, in September of 1984 but for
7 a year prior to that was acting Auditor General.

MR. CHAIRMAN

9 Mr. Cormier, is the Auditor General appointed by the
10 legislature on the recommendation of the Lieutenant Governor-in-
11 -Council or by the Lieutenant Governor-in-Council?
12

MR. CORMIER

13 My Lord, it's a Governor-in-Council appointment. There is
14 no legislature ratification of it.
15

MR. CHAIRMAN

16 Are you a servant of the Lieutenant Governor-in-Council or
17 of the legislature.
18

MR. CORMIER

19 Considered to be a servant of the legislature.
20

MR. CHAIRMAN

21 Thank you.
22

MR. ORSBORN

23 Q. How may you be removed?
24

25 A. I can be removed for cause by a two-thirds vote of the

1 legislature.

2 Q. And as Auditor General you are responsible for reporting on
3 the public accounts of the Province, I presume.

4 A. If I might, a small distinction, the public accounts are
5 normally the financial statements of the Province and the
6 audited opinion on those is expressed by a firm of public
7 accountants. But we do have a fairly broad mandate
8 comparable to all legislative auditors in Canada to report on
9 the revenues, expenditures, asset controls and related
10 matters.

11 Q. Do I understand that in the course of audit field work during
12 the period from May to September of 1983, your auditors
13 brought to your attention some questions concerning
14 documentation on the expense accounts of members of the
15 legislative assembly?

16 A. That is correct.

17 Q. And do I understand that among those concerns were
18 expense accounts relating to Mr. Billy Joe MacLean?

19 A. That is right.

20 Q. Do I understand that the expense accounts of members are
21 monitored by the Speaker's office for compliance with
22 regulations, appropriate supporting documentation and
23 approval for payment?

24 A. That's correct. They receive them, check them, approve
25 them and submit them to finance for payment.

MR. CORMIER, EXAM. BY MR. ORSBORN

- 1 Q. And in terms of your audit responsibilities, would it be fair
2 to describe the Speaker's office as being in the nature of a
3 client of yours that you would do work for and then report
4 to?
- 5 A. That's right. We would review the expense accounts and
6 report our findings to the Speaker, yes.
- 7 Q. In October of 1983 who was the Auditor General?
- 8 A. Mr. Arnold Sarty was Auditor General until he retired
9 effective October 31st, 1983.
- 10 Q. And with respect to the expense accounts of Mr. MacLean
11 that were brought to your attention, I presume Mr. Sarty's
12 attention, could you indicate in general terms for us the
13 nature of your concerns?
- 14 A. The nature of our concern was that there were some forty, I
15 think precisely forty-two, claims for accommodation
16 supported by vouchers which we perceived to be
17 inappropriate in that they were vouchers of the Sheiling
18 Motel which he operated and the Sheiling Motel name had
19 been taken from the bottom of the expense accounts and...
- 20 Q. So from an audited point of view, you were not satisfied
21 with the documentation that supported the claim.
- 22 A. To us it was inappropriate documentation, yes.
- 23 Q. Did you do anything as a result of those concerns?
- 24 A. As a result of those concerns it was the decision of the office
25 to consult with the Royal Canadian Mounted Police as to the

MR. CORMIER, EXAM. BY MR. ORSBORN

1 appropriateness of these from a criminal or fraudulent
2 submission standpoint.

3 Q. When you say it was the decision of the office, do I take it
4 that means that...

5 A. Mr. Sarty.

6 Q. ...Auditor General and concurred in by yourself.

7 A. It was Mr. Sarty's decision concurred in by myself, that's
8 right.

9 Q. Why would you call in the RCMP first before going to the
10 either the Speaker's office or the Department of Attorney
11 General?

12 A. I suppose for two reasons, one we wanted to get what we
13 considered to be the best expert or specialist type of advice
14 on the matter and we felt that this could be best secured
15 from the RCMP. The second reason was that this was a very
16 significant serious matter and I might say quite different
17 from the normal type of audit finding that we would
18 encounter, and it was Mr. Sarty's view and again my
19 concurrence with it, that we did not want the matter to be
20 treated lightly, and felt that we wanted the independent
21 point of view from the RCMP as a third party aware of the
22 circumstances that we had...we had uncovered.

23 Q. And you, in fact, met with the RCMP.

24 A. Yes, we did.

25 Q. If I can draw your attention to Exhibit 173.

MR. CORMIER, EXAM. BY MR. ORSBORN

1 MR. CHAIRMAN

2 Before you leave that so I won't forget it. Did you have any
3 reason to believe that if you had gone to the Speaker, who I
4 gather in one sense was your client, and/or the Attorney...not
5 and/or, that's a dreadful word, anyway, or the Attorney General's
6 Department that it would have been treated lightly?

7 MR. CORMIER

8 Well, I don't believe, if subsequent meetings are an
9 indication, that the Speaker would have treated it lightly because
10 he did not when we first brought it to his attention. I might say
11 that subsequent discussions with the Attorney General's
12 Department were such that since they indicated to us, and I'm
13 going a little bit ahead of myself, if I might...

14 MR. CHAIRMAN

15 Well, if it's coming up.

16 MR. CORMIER

17 I think it might come up later in my meetings with the
18 Attorney General.

19 MR. CHAIRMAN

20 All right, let's keep it...

21 MR. CORMIER

22 Yes.

23 MR. CHAIRMAN

24 Let's keep it in sequence.

25

MR. CORMIER, EXAM. BY MR. ORSBORNMR. CORMIER

1
2 But I don't think it fair to ascribe our thinking to the
3 Speaker necessarily, it was more to the Attorney General's
4 Department.

MR. ORSBORN

5
6 Q. But presumably when you made your decision to go to the
7 RCMP, you did not have the benefit of whatever occurred in
8 the later meetings. Was there...was there anything at that
9 time when you decided to go to the RCMP which gave you a
10 concern that the Department of Attorney General might
11 treat it lightly?

12 A. If I might put it this way, I'm not sure if this is going
13 answer your question, but if it isn't, kindly pursue it. Mr.
14 Sarty's point of view and one, as I suggested earlier, that I
15 concurred with, is that the Auditor General as a servant of
16 the legislature has a direct responsibility under his Act or
17 under the Auditor General Act to report directly to the
18 legislature on any matters concerning expenditures, and
19 there was a very real provision in our Act which requires
20 us to report on any documentation that is not properly
21 vouched or certified. That's in the legislation. And it's a
22 direct reporting responsibility. It's not one that is filtered
23 through or reviewed by or discussed with a department of
24 government prior to that, whether it be a client department
25 or whether it be the Attorney General. He felt fairly

1 strongly about this, and as a result, he did not feel that his
2 initial...his initial contacts would necessarily be, as it might be
3 from another department working within government on
4 some matter to the Attorney General. Now that was
5 fairly...that was...that was a relatively strong feeling on our
6 part. That doesn't answer precisely why, you know, what we
7 had to suspect that they might, but we knew it was an
8 extremely sensitive matter. It was dealing with a Cabinet
9 Minister. And for that reason we wanted to be as direct and
10 as, I suppose, as certain of our point of view. We're not
11 lawyers, we're not police investigators, but from our audit
12 background we had a strong feeling that there was evidence
13 of fraudulent activity taking place and as a result we felt we
14 didn't want that in any way deferred, demurred, and we
15 went...we decided to go to directly to the RCMP. Now I don't
16 know if that, does that satisfy you? That's the feeling that
17 we...does that answer it? I'm not sure.

10:15 a.m.

18 Q. Partially. I'd like to pursue it a little more rather than
19 leaving this sort of concern about it being taken lightly just
20 hanging.

21 MR. CHAIRMAN

22 Q. Ordinarily, when you... During the course of your audit, if you
23 find, forget for a moment any question of fraud, but if you
24 find that certain expenditures are not properly vouchered or
25

1 properly explained, do you go to the Deputy Minister of the
2 department concerned or the head of the Crown corporation
3 concerned and ask if there's any explanation before you
4 include it in your report to the Legislature? Do you give them
5 an opportunity to respond?

6 A. My Lord, we don't have too many instances of this type or
7 even types involving criminal activity. In the few cases that
8 have come to my attention in the fourteen plus years I've
9 been with the office, we've done a mix of things, and they're a
10 handful. We've called the R.C.M.P. to ask them what they
11 think of something. And then we'll go to the Attorney
12 General. But, normally, we don't necessarily go to the
13 department concerned immediately because of our concern
14 that there may be an attempt to explain. There may be
15 unreasonable delays incurred. We want to get the police
16 initiative as quickly as we can while the material is still, if
17 you will, relatively current.

18 Q. No, no, I was referring to unsuspected criminal activity.

19 A. Oh, excuse me. Unsuspected, yes. Unsuspected, you're
20 quite right. Going to the department.

21 Q. Where there's been an overrun or..

22 A. Yes, oh, yes.

23 Q. There may be some errors that ...

24 A. Yes, yes, yes, excuse me, yes. You're quite right. I'm sorry. I
25 thought you meant in this type of a...

1 Q. No.

2 A. Okay.

3 MR. ORSBORN

4 Q. You've indicated a concern that the matter might be taken
5 lightly by the Department of Attorney General. You've
6 recognized that it was a matter involving a Cabinet Minister.
7 Did you have any prior experience which supported your
8 concern that a matter involving a Cabinet Minister would be
9 taken lightly by the Department of Attorney General?

10 A. No, and I'm sorry I didn't answer it that definitively. No, we
11 did not have any specific instances as parallels that we might
12 encounter at this time, no, none whatsoever. But it was just
13 the seriousness, the magnitude, the personalities involved and
14 so on that we felt we had better be as careful and as
15 deliberate in our..

16 Q. Do I understand then that your concern arose more out of a
17 desire that your own responsibilities would be properly
18 fulfilled rather than any concern that the Department of
19 Attorney General would not fulfil theirs?

20 A. I think that's a fair statement.

21 Q. If I can direct your attention to the booklet and at page 13. I
22 apologize for the wide variety of numbers that appear on
23 some of these pages, but page 13 also has a 28 on it.

24 A. Yes.

25 Q. But it is the second page of the R.C.M.P. documentation, is the

1 13th page of the documentation with a date on the left-hand
2 column of 83-10-26. Do you have that, Mr. Cormier?

3 A. Yes, I do.

4 Q. And in the second paragraph, it speaks of the meeting being
5 held between Mr. Sarty, yourself, two of your audit
6 supervisors, Inspector Blue of the R.C.M.P., and Sergeant Lee.
7 And do I take it that this was the meeting that was convened
8 at Mr. Sarty's request?

9 A. Yes, it was.

10 Q. And did you provide the R.C.M.P. with a packet of
11 documentation during that meeting?

12 A. At that meeting, we showed to them the expense vouchers in
13 question.

14 Q. What did you ask the R.C.M.P. to do?

15 A. Our question to them was does this, or do you consider this to
16 be evidence of fraudulent activity which should be pursued
17 further with yourselves and the Department of the Attorney
18 General?

19 Q. You didn't ask them to conduct an investigation as such, I
20 take it?

21 A. No, we did not ask them to initiate an investigation on the
22 basis of that.

23 Q. You asked them to review documentation that you provided?

24 A. Yes.

25 Q. And if I can ask you to turn to page 17 of that booklet. The

1 top date on the page is 83-10-27, and underneath that, 83-
2 10-28.

3 A. Yes, page 17, yes.

4 Q. Opposite the caption or the date there of 83-10-28, there's an
5 indication that the R.C.M.P., in fact, reported back to you two
6 days later?

7 A. That's correct.

8 Q. And reading this, this will be a meeting between the Auditor
9 General's people, Superintendent MacGibbon, and Inspector
10 Blue?

11 A. That's right.

12 Q. And do I understand from reading that that it was their
13 recommendation that the Attorney General, in fact, be
14 advised of the matter?

15 A. It was, yes.

16 Q. Did the R.C.M.P. offer you any opinion at that time what their
17 view was as to either the possible criminality or their desire
18 to pursue an investigation?

19 A. My recollection was that they felt that this was something
20 that was indicative of but not...indicative of fraudulent
21 activity. I don't know if indicative is the word, but not...

22 Q. Indicative?

23 A. Yes.

24 Q. Was there any view expressed that they would wish to do an
25 investigation?

1 A. I'm not sure if what they were going to do, was we will now
2 consult with the Attorney General and take it from there or
3 whether they said that we should immediately commence an
4 investigation, no. I'm not... I think in view of their opinion to
5 us on the documentation we submitted, there was certainly a
6 feeling that something should be done, yes. So I guess put,
7 but they didn't come right out and say, yes, we shall start or
8 we should start or we will start.

9 Q. And who was to advise the Attorney General? The R.C.M.P. or
10 the Auditor General?

11 A. No, I think the thrust of the meeting was that we should now
12 arrange for a joint meeting with the Office of the Attorney
13 General and them and ourselves. But in the meantime, since
14 the Speaker was out of the country, we would want to convey
15 to him the findings that we had and the results of our
16 meeting with the R.C.M.P. prior to our going to the Attorney
17 General.

18 Q. Did you or did Mr. Sarty, in fact, advise the Speaker?

19 A. Yes, we did.

20 Q. who was the Speaker at the time?

21 A. Mr. Donahoe.

22 Q. Arthur Donahoe.

23 A. Mr. Arthur Donahoe.

24 Q. And was that briefing provided by both of you or just Mr.
25 Sarty or just yourself?

1 A. Both of us.

2 Q. Both of you. And what, if any, reaction did the Speaker have
3 to the information you provided?

4 A. The Speaker's reaction was, I suppose, two-fold. That it was
5 an extremely matter that we were bringing to his attention
6 and that our actions to date in meeting with the R.C.M.P. and
7 subsequently meeting with the... and subsequently planning a
8 meeting with the Attorney General were appropriate.

9 Q. I take it he had no difficulty about your having involved the
10 R.C.M.P.?

11 A. None whatsoever were expressed to us.

12 Q. Do I understand that there was some expression by the
13 Speaker of a desire to brief the Premier?

14 A. I think... I believe he did tell us that he wanted to apprise the
15 Premier of this and we felt that that was not an unreasonable
16 thing to do.

17 Q. And I take it that following that then, you then took steps to
18 contact the Department of Attorney General?

19 A. We did.

20 Q. And there are two letters found at pages 27 and 28 of the
21 booklet and I'm summarizing. There's a letter from yourself
22 to Mr. Coles enclosing a letter from Mr. Sarty and basically
23 doing little else than requesting a meeting for November
24 22nd.

25 A. Right.

1 Q. Now backing up on page 21, there is Inspector Blue's note.
2 You have Inspector Blue's note of the meeting on the 22nd of
3 November. There is an indication that the Attorney General's
4 people had been briefed by yourself and Mr. Sarty prior to
5 the R.C.M.P. arrival. Why did you do that?

6 A. Why? I guess it was just because Sarty and I felt we should
7 explain to them what had transpired to date, give them an
8 opportunity to see what we had uncovered in our audit, and
9 describe the three meetings prior to that, the two with the
10 R.C.M.P. and the one with the Speaker. No special significance
11 but I think the R.C.M.P., as I recall now, the R.C.M.P. felt that
12 that might be a better way to do it, than have them called in
13 after we had gone through this with them.

14 Q. Was it just Mr. Coles and Mr. Gale present for the Department
15 of Attorney General?

16 A. That's correct. Sarty and myself.

17 Q. Did they both participate in the meeting?

18 A. Well, they did but the primary participant on their part was
19 Mr. Coles, as Deputy Attorney General.

20 Q. What reaction, if any, did Mr. Coles have about the
21 information you provided him with?

22 A. Well, Mr. Coles initially took exception to our going to the
23 R.C.M.P. prior to advising them of the circumstances and...

24 Q. You say he took exception to your going to the R.C.M.P.?

25 A. He felt, yes, he did. He felt we should have gone to them first.

MR.CORMIER, EXAM. BY MR. ORSBORN

1 Q. Was that expressed to you?

2 A. Yes, and Mr. Sarty explained to him that our position as, or his
3 position as Auditor General was one as a servant of the
4 Legislature responsible directly to the Legislature and it's a
5 unique position and quite different from what might be the
6 situation for those in other departments of government and
7 felt it was an appropriate course of action to have followed
8 and that he would do it again under similar circumstances.
9 And I think Mr. Coles accepted that explanation as a bona fide
10 reason for having proceeded in the manner we did.

11 Q. Did Mr. Coles suggest any reason as to why you should not
12 have gone to the R.C.M.P. first?

13 10:30 a.m.

14 A. I don't think he or I cannot recall him going into any lengthy
15 dissertation as to why we should not other than to say "You
16 should have come to us first," or words to that effect.

17 Q. Would you describe that meeting as a full briefing of the
18 Department of Attorney General as to the views of the
19 Auditor General and the views of the RCMP?

20 A. I'm not sure full briefing, but we certainly went over the
21 essentials of the case, showed them the evidence, the
22 documentation we had and described the discussions and
23 the conclusions we had arrived at and that the RCMP had
24 supported.

25 Q. On page 22, the following page, there is an internal RCMP

1 memo dated the 23rd of November, the following day.

2 A. Uh-hum.

3 Q. And under number 1 there are three cases and then a
4 number of suggested offences. The heading to number 1 is
5 "Possible offences requiring an investigation." Do you recall
6 if at the meeting on the 22nd there was any expression by
7 the RCMP that there were, in fact, possible specific offences
8 that required investigation?

9 A. Well, the...if I understand the question correctly, the matter
10 was the submission of documentation that appeared to be
11 inappropriate, falsified, if you will, for the...to substantiate
12 an expense claim which had been...which had been
13 reimbursed to the person in question.

14 Q. The question was whether or not at that meeting the RCMP
15 indicated that they wished to do an investigation because
16 there were these possible offences that should be looked at?

17 A. You're talking about the meeting.

18 Q. Meeting.

19 A. With the Attorney General and the RCMP.

20 Q. And yourselves.

21 A. And ourselves, yes. As I recall the decision, the course of
22 action to be followed subsequent to the meeting was that
23 the Attorney General's Department would take it under
24 advisement, be in contact with the RCMP and decide what
25 action should be taken.

1 Q. I understand...

2 A. I don't think there was a definitive decision. Certainly the
3 Attorney...the Deputy Attorney General did not make any
4 decision that we shall now do this, now do that at that
5 meeting.

6 Q. I understand that to be the resolution, but during the
7 meeting itself was there any recommendation by the RCMP
8 that the matter should be now investigated because of these
9 possible offences?

10 A. The meeting was a relatively general one in terms of us,
11 first of all, providing the background. And the bulk of the
12 meeting was with only the four of us: Sarty, myself, Coles
13 and Gales, Coles and Gale. MacGibbon and Blue came in
14 latterly only for a relatively short time in relation to the
15 total duration of the meeting. Now...

16 Q. If you don't ...

17 A. Was there a specific recommendation by the RCMP to them?
18 I don't recall, you know, other than that the thing was going
19 to be taken under advisement. You know, this didn't
20 concern us. We weren't looking for a recommendation. We
21 weren't looking for the RCMP and/or the Attorney General
22 at this meeting to say, "We're now going to invest...we're
23 now going to investigate, we're now going to do this, we're
24 now going to do that." It was in their hands and they had it,
25 and as far as we were concerned, that satisfied us at that

1 point in time.

2 Q. Okay. Do you understand that following this that on the
3 29th of November you provided in the normal course of
4 your responsibilities a report to the Speaker outlining some
5 of the deficiencies that you had found in your audit?

6 A. On the 29th of November, I'm not sure of the exact date.

7 Q. Yeah. If I can direct your attention to page 7 of the...7 of the
8 materials, an extract from one of your reports, if you need it.

9 A. I have the report here. I just wanted to double check the
10 date. Yes, you're correct. It was November 29th.

11 Q. Okay.

12 A. You're right.

13 Q. And was this report provided in furtherance of your normal
14 responsibilities as Auditor General?

15 A. That's correct, yes, yeah. This was the complete report on
16 the entire audit, that's what it was.

17 Q. Yes. Now, do I understand that in January of 1984 you had
18 occasion to meet with the speaker and Mr. MacLean
19 himself?

20 A. That's correct.

21 Q. If I can direct your attention briefly to page 3 of the
22 materials. Are these your notes, Mr. Cormier?

23 A. Yes, yes, they are.

24 Q. And can you indicate roughly when and why they were
25 prepared?

MR.CORMIER, EXAM. BY MR. ORSBORN

1 A. Well, these were prepared quite a bit later.

2 Q. Yes.

3 A. In the year, Novemberish, for...as part of a... May I just look
4 at those again quickly? See these were prepared in
5 connection with the meeting held in November.

6 Q. Yes.

7 A. With the Attorney General and the Speaker, just to provide
8 a focus for myself for the meeting.

9 Q. Okay, we'll come...

10 A. Yes.

11 Q. Come back to that, we can just...

12 A. Yes.

13 Q. Leave page 3 open for a moment.

14 A. All right.

15 Q. We'll come back to it in a second. Do you have any
16 understanding of at whose initiative this meeting between
17 the speaker and Mr. MacLean was called?

18 A. My understanding was that the speaker was requested by
19 the Deputy Attorney General, Mr. Coles, to meet with Mr.
20 MacLean to obtain his explanation for the documentation
21 provided for these expenses.

22 Q. How did you get that understanding?

23 A. Well, he advised me, the Speaker called me to ask if I would
24 attend the meeting and that was the reason.

25 Q. And you have a brief note about that meeting on page 3

1 under the heading "Process."

2 A. Excuse me, I'm not sure that I follow you are on page 3.

3 Q Page 3. It's the heading "Purpose".

4 A. Oh.

5 Q And underneath that there's a heading, "Process". Do we
6 have the same page?

7 A. Are we on the right page 3, or am I... Oh, "Process", yes, yes,
8 yes.

9 Q And if I read your note correctly...

10 A. Yes, yes.

11 Q ...it says, "Meeting January 10th, '84, my problem in going,
12 no opinion point of view, only listen, not too plausible
13 believe conveyed to Art."

14 A. Yes.

15 Q That's Art Donahoe the Speaker.

16 A. Yes.

17 Q Could you elaborate on your notes, sir?

18 A. When I received the request from the Speaker to attend the
19 meeting, I wasn't sure what I should do, whether I should
20 attend or not. So I phoned Inspector Blue to get his counsel
21 and he suggested two things to me, that there's no reason
22 not to go, but if I did go, not to express any opinion with
23 respect to the documentation. In other words, not to...not to
24 indicate to either Mr. MacLean or the Speaker that I was, in
25 fact, accepting the explanations, to maintain a fairly low

1 profile which, in effect, is what I did. I just listened. That's
2 line 1. Line 2, "Not too plausible," is a very succinct way of
3 expressing my reaction to the explanations provided. I
4 just...they didn't seem reasonable to me in the
5 circumstances, but I did not indicate that to either one of
6 them. And "I believe conveyed to Art," oh, "Believe
7 conveyed to Art," is maybe subsequently I conveyed to
8 Donahoe that the explanation was not a...not one that would
9 satisfy an auditor.

10 Q. If I could ask you to turn to page 23, which is part of the
11 RCMP chronology. The date on the left-hand side is 84-01-
12 11.

13 A. 23, yes.

14 Q. Do you have that with the date?

15 A. 84-01-11.

16 Q. This is the following day and it's Staff Sergeant's Leigh's
17 record of a conversation with you.

18 A. Uh-hum.

19 Q. And he attributed this to you, "He said he had no input at
20 the meeting and felt that he was, " I guess, "...placed there as
21 a sitting duck." Is that your phrase, Mr. Cormier?

22 A. It sounds like something I would say, yes.

23 Q. What would lead you to say that?

24 A. Probably I had the feeling that the mere fact that I was
25 there and said, excuse me, that I was there and didn't say

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1 anything to challenge or to in any way question the
2 plausibility of explanations provided, might lead particularly
3 the member concerned, not necessarily the Speaker, because
4 I indicated to him that I wouldn't be participating, but it
5 might have indicated to him that I was...that I had accepted
6 the explanations.

7 Q I'm sorry.

8 A. It might have led the member to conclude that since I had
9 not challenged or commented on his explanations that I was,
10 in fact, accepting them and that's what I would have meant
11 by being a sitting duck.

12 Q Aside from Inspector Blue, did anybody tell you that you
13 could not comment or could not challenge the explanations?

14 A. The only counsel I had prior to going to the meeting was
15 with Inspector Blue because I knew that, you know, they
16 had been involved from the start and were continuing some,
17 I guess, discussions with the Attorney General's Department,
18 I'm not sure, but they were aware that the investigation was
19 still underway. But no, I didn't contact anyone else, no.

MR. CHAIRMAN

20
21 So, if you were indeed a "sitting duck" you were as such by
22 following the advice of Inspector Blue.

MR. CORMIER

23
24 Yes. I just didn't feel that it was, on the basis of what he
25 said, and I just didn't want to get in to a confrontational mode

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1 with him at this point in time.

2 MR. CHAIRMAN

3 I'm not quarreling with the wisdom of it.

4 MR. CORMIER

5 No, no, no, no, but that's why I guess I said I... I would
6 rather not have been there, let's put it this way.

7 MR. ORSBORN

8 Q Is it fair to say that you were a duck of your own making
9 rather than...

10 A. All right.

11 Q ...rather than somebody in government, the Department of
12 Attorney General or Speaker.

13 A. Yeah, okay, okay.

14 Q Putting you into a situation.

15 A. Yeah.

16 Q Is that fair?

17 A. Yeah, I guess.

18 Q Okay.

19 A. I guess. Not being a duck I'm not sure.

20 Q On that same page, Mr. Cormier, the bottom paragraph on
21 the page, there is, I think, an unnecessary deletion there.

22 A. Yes, yes.

23 Q And with the consent of my friend, the counsel for the
24 Attorney General, it's a deletion in the fourth last line, it
25 should read "Speaker".

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1 A. Yes, yes.

2 Q. So I take it that you advised...you advised Staff Sergeant
3 Leigh that the Speaker was reporting directly to Mr. Coles.

4 A. That's correct. He has undertaken to do that.

5 Q. Were you of the view that the Speaker was, in fact,
6 investigating the matter?

7 A. No, no. The Speaker wasn't investigating the matter as I
8 under...well, whatever you call investigating. He was...he
9 was just giving Mr. MacLean an opportunity to convey to the
10 two of us his explanation of the documentation provided.

11 Q. Yes. The reason for asking is that there are a couple of
12 references in this paragraph to an investigation by the
13 Speaker and the fact that the Speaker's investigation was
14 hampering a police investigation. Do you have any
15 knowledge of the Speaker's investigation such as would
16 hamper a police investigation?

17 A. Gee, I have no awareness of that, none.

18 Q. There is also reference at the bottom of page 23.

19 A. Yes.

20 Q. "Coles is not interested in having the matter investigated by
21 the police. Mr. G. Gale is not opposed to a police
22 investigation although he will go along with Coles' wishes."
23 Do you remember making any statement of that nature to
24 Staff Sergeant Leigh?

25 A. That would have been a conveying to Staff Leigh my

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1 conversation I had had on the street with Mr. Gale at that
2 time.

3 Q. Can you elaborate on that, please?

4 A. Well, I on occasion used to meet him behind our building as
5 I was leaving our office and he was going to his parking lot
6 being on...somewhere along Bedford Row likely. We met
7 several times during the months that this was under
8 investigation and we would normally stop and talk for a few
9 minutes about some aspect of it and this was conveyed to
10 me in one of these conversations. The exact time and date
11 of it I'm afraid I can't recall.

12 Q. And so that we are clear, what was conveyed to you was
13 that Mr. Coles was not interested in having the matter
14 pursued by police.

15 A. Gale conveyed to me that he felt there should be an
16 investigation but Coles did not seem to think that it was
17 necessary at that point in time and, but Gale, of course,
18 would be following the wishes of the Deputy
19 Auditor...Deputy Attorney General.

20 Q. Were there any reasons given to you as to why Mr. Coles
21 thought it should not be pursued?

22 A. No. No.

23 Q. Now, your report comes out in April of each year for the
24 financial year, end of the year, prior to that.

25 A. Correct.

1 Q. So in April, 1984, you would report on the year ending
2 March '83.

3 A. That's right. That's right.

4 Q. If I can direct your attention to page 6 of the materials.
5 This is an extract from your...from your 1984 report which
6 was tabled in April of '85.

7 A. Right.

8 Q. Okay. And on the right-hand side, which the page number
9 is 57, on the right-hand side of that page there is reference
10 to your March '83 report which would have been tabled
11 around this time in April of '84.

12 A. Just a minor item, if I might, the '83 report went out under
13 Sarty's signature and since he was Auditor General for most
14 of that audit year. The '84 one is mine.

15 Q. I understand that. But in any event, there is a reference to
16 the expense accounts in the report which was tabled in April
17 of '84, but the reference is very fleeting.

18 A. Uh-hum.

19 Q. And quite general. My question is given what you knew in
20 April of '84, why would the reference be as brief as this?
21 10:45 a.m.

22 A. This was a decision jointly arrived at by Sarty and myself.
23 Sarty retired effective October 31st, '83, but part of the
24 arrangements associated with his retirement were that he
25 would sign the '83 Auditor General's Report and he would

1 personally go before the Public Accounts Committee for their
2 review of it in the spring when it was tabled. I was Acting
3 Auditor General at the time and we decided that because of
4 the very serious situation with respect to the expense
5 accounts, in particular the expense accounts of Mr. MacLean,
6 the fact that it was with the Department of the Attorney
7 General for their consideration as to whether further
8 investigation would take place that we would not go into any
9 great detail in this year's report. This decision would have
10 been made in January because this report probably went to
11 print about the latter part of January. This would be January,
12 1984. And it was our decision, we conveyed this to the
13 Speaker, mind you, because at this point in time, he would
14 have had in his possession in November '83, a full report.
15 And it was decided that we would make a very brief
16 reference, that we do on pages 49 and 50 of the '83 report,
17 and hold, for the following year, the complete details.

18 Q. Just a quick point, Mr. Cormier, while we're looking at this.
19 On page nine of our materials, and it will be page 63 of the
20 '84 report.

21 A. Yeah.

22 Q. Looking at the right-hand side of our page nine, page 63 of
23 your report, under Item #3. One member's expense claims
24 and the amount being questioned there is \$6,952. and I have
25 no wish to get into any specifics at all other than to ask you, is

1 this the magnitude of the dollar amounts that you were
2 concerned with with respect to receipts for accommodation?

3 A. That's correct.

4 Q. Okay. Now I'd ask you to turn to page 37 of the materials.
5 And do I understand this to be a letter from Mr. Giffin, the
6 Attorney General, to Mr. Donahoe and it was copied to
7 yourself?

8 A. Right, that's correct.

9 Q. It's dated April 18th, 1984.

10 A. Yes.

11 Q. And I read this to be the response of the Department of
12 Attorney General to the concerns raised by yourself. What
13 reaction, if any, did you have when you received a copy of
14 this correspondence?

15 A. I suppose I had two reactions. Somewhat disappointed in the
16 decision not to pursue it further, but not in a position to
17 question the legal ramifications that gave rise to this, not
18 being a lawyer. Second reaction was that knowing, as we just
19 discussed a moment ago, that the '83 report had only a brief
20 reference to our audit. That the '84 report, when it was
21 presented to the Legislature, would contain more complete
22 details on our audit findings and also would have to contain
23 an expression of opinion by myself with respect to the
24 acceptability of the documentation.

25 Q. On page 38, the second page of that letter, the third

1 paragraph, and I'm looking at the last three or four lines of
2 that paragraph. It refers to the provision of a receipt and
3 acknowledging receipt of the approximate sum of two
4 thousand dollars during June to December '82 in respect of
5 accommodation. The only question I have with respect to
6 that, was it your understanding that that receipt for two
7 thousand dollars related to the sixty-nine hundred dollar sum
8 that we spoke about?

9 A. It was related to it, yes.

10 Q. Okay. Now your notes on page three of the materials in
11 respect of this letter of Mr. Giffin read:

12 I was surprised of the letter contents, not the
13 decision to proceed further, but the lecture and
14 detail provided.

15 You told us a minute ago you were disappointed with that
16 decision. Do I read this as saying you were not surprised at
17 the decision?

18 A. I was surprised, oh, yes.

19 Q. You were surprised.

20 A. I fully expected an invest... Maybe it was a hope rather than
21 expectation that there be an investigation.

22 Q. Why did you hope that there would be an investigation?

23 A. Because of what we had indicated, what we had found
24 initially and the indications of the R.C.M.P. that it smacked of
25 fraudulent activity.

1 Q. Looking at page 35 of the materials, Mr. Cormier, it's a memo
2 from Mr. Coles to Mr. Giffin, presumably used to support Mr.
3 Giffin's letter. The second paragraph on that page 35 says:

4
5 The irregularities in Mr. MacLean's
6 compliance are more accounting irregularities
7 rather than such as to warrant any further
8 criminal investigation.

9 The matters which were of concern to you, were they, in your
10 opinion, only accounting irregularities?

11 A. No, and I think that the reason is, the reason I say no is very
12 simple. The expenses incurred are travel expenses and there
13 is an accepted normal way to substantiate travel expenditures
14 made. And Mr. MacLean and others have been in the practice
15 of documenting, substantiating their expenses by normal type
16 expenditure documentation. This was not done in this case.
17 That's not an accounting irregularity, in my view. That's a
18 documentation deficiency.

19 Q. To your knowledge, were you or anybody in your department
20 asked to provide to the Department of Attorney General an
21 opinion on what constituted good or improper accounting
22 practice?

23 A. Not to my knowledge.

24 Q. That paragraph goes on further to state:

25 Mr. MacLean's explanation of the manner in

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1 which he filed his statement of travel and living
2 allowances is, in our opinion, a reasonable
3 explanation.

4 And I take it from your earlier comments that you did not
5 view the explanation as plausible.

6 A. No, and in view of what I just said a moment ago.

7 Q. Yes. Also on that page in the fourth paragraph, Mr. Coles
8 writes:

9 We have communicated our opinion in the
10 matter to the R.C.M.P. who, although they were
11 not formally asked to investigate the matter,
12 nevertheless were made aware of the concerns
13 of the Auditor General since Mr. Arnold Sarty
14 had spoken to them on an informal basis.

15 Was it your view that you had been speaking to the R.C.M.P.
16 on an informal basis?

17 A. Well, I certainly wouldn't term it "informal." You're referring
18 to our two meetings on October the 26th and 28th?

19 Q. 26th and 28th, yes.

20 A. Those are quite formal sessions, in my view.

21 Q. Did you or, to your knowledge, Mr. Sarty, at any time, advise
22 Mr. Coles or others in the Attorney General's Department that
23 the meetings were only informal?

24 A. Not that I can recall.

25 Q. Now the Speaker had reported to, I believe, to Mr. Coles
following your meeting with Mr. MacLean when you met him
in January.

1 A. Yes, yes.

2 Q. And if I can direct your attention to page 31, which is the
3 final page of that letter. And Mr. Donahoe has reviewed the
4 meeting with Mr. MacLean and sets out the explanations
5 given. The final paragraph reads:

6
7 I should add that Mr. Cormier has seen the
8 contents of this memorandum and agrees that it
9 accurately sets forth the discussion.

10 You then looked at this letter before it was sent?

11 A. Yes, I did.

12 Q. And did it accurately set forth the discussion?

13 A. It did.

14 Q. I take it that that paragraph should not be read as indicating
15 you agreed with the explanation given.

16 A. That's correct as well.

17 Q. In the preceding paragraph, it talks about Mr. MacLean, in
18 fact, trying to get a receipt and do I understand that, again,
19 the amount in question was this sixty-nine hundred dollars
20 that we spoke of?

21 A. That's correct.

22 Q. And the eventual receipt that was provided was for around
23 two thousand?

24 A. That's right.

25 Q. Although Mr. Giffin's letter appears to close off the matter
from the Auditor... from the Attorney General's point of view,

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1 did it complete the matter from an Auditor's point of view, as
2 far as you were concerned?

3 A. As I indicated a few minutes earlier, I recognized that I
4 would have to detail in the 1984 annual report the findings of
5 the report and my opinions concerning certain matters,
6 included, among them, this MacLean expense.

7 Q. So you felt you had to report on it for...

8 A. Oh, yes, no question.

9 Q. The 1984.

10 A. Oh, yes.

11 Q. And what did you in furtherance of that?

12 A. In furtherance of that, I requested a meeting with the
13 Attorney General. Is it okay to go to that point in time now?

14 Q. By all means.

15 A. Yes, requested the meeting with the Attorney General which
16 was held...

MR. CHAIRMAN

18 Are you moving into another area?

MR. ORSBORN

20 Certainly another time period. If you wish a break, it would
21 be a convenient time to do it.

BREAK

1 INQUIRY RESUMES - 11:15 a.m.

2 Q Mr. Cormier, I understand that in November of '84 there
3 was a provincial election.

4 A. Right.

5 Q And I understand that the matter of these expense accounts
6 became somewhat of an issue in the election and that during
7 the election campaign the Attorney General's letter of April
8 18th of '84 was released to the press as an explanation.

9 A. That's correct.

10 Q Yeah. There is a clipping on page 40 of the materials that
11 indicated that you were asked to comment on that and, in
12 fact, said, "I'm sorry, you're going to have to wait until I file
13 the report, but the documentation is unusual," something to
14 that effect.

15 A. Yes.

16 Q Is that a fair summary?

17 A. Yeah.

18 Q And you then started to talk about a meeting that you
19 attended with the Attorney General and the speaker on
20 November 20th, 1984. Was that meeting called at your
21 request?

22 A. Yes, that meeting was called at my request.

23 Q And was it called in furtherance of your responsibilities as
24 Auditor General?

25 A. Yes.

1 Q. In what respect?

2 A. I wanted to convey to the Attorney General the essence of
3 what my conclusions were and what I would likely be
4 reporting in the forthcoming Auditor General's report for the
5 '84 fiscal year.

6 Q. The Speaker was still your client in respect to the claims in
7 question?

8 A. Yes.

9 Q. Why were you involving the Attorney General?

10 A. Well, I should have introduced this, I mentioned this
11 initially to the speaker and suggested that the Attorney
12 General should be made aware of this and he concurred and
13 if, I'm not mistaken, he arranged the meeting.

14 Q. Yes. If I could ask you to turn to the first two pages of the
15 material, they appear to be typed notes. Are these your
16 notes, Mr. Cormier?

17 A. Yes, they are. These were notes I typed in preparation for
18 the meeting.

19 Q. You typed them in preparation for the meeting?

20 A. For the meeting with the Attorney General, yes.

21 Q. And apart from yourself who attended the meeting?

22 A. From my office Mr. Butler, the assistant Auditor General, the
23 Speaker, Mr. Donahoe, the Attorney General, Mr. Giffin, the
24 Deputy Attorney General, Mr. Coles, and the director, Mr.
25 Gale.

1 Q. And on page 1 under "Introduction and Essentials" you have
2 a number of points. I wonder if you could just briefly
3 review them for us and indicate whether or not this reflects
4 your presentation at that meeting?

5 A. Well, it does reflect my presentation in that in order to
6 ensure organization and completeness I prepared these in
7 advance and essentially read from them and I...did you want
8 me to go through what is on here or is that sufficient?

9 Q. I think if you would, just very briefly, yes.

10 A. All right. I introduced by referencing the responsibilities
11 under the Act, section 8 of the Act, (d), and explained, as I
12 have already indicated earlier, why the '83 report did not go
13 into greater detail, but in '84 we would, and the essentials of
14 our point of view that the claims and the documentations
15 were irregular, did not meet acceptable standards. No,
16 excuse me, this is the essentials of our meeting with the...

17 Q. Yes.

18 A. Felt it necessary to consult with the RCMP. I went through
19 all of this which I felt was worthwhile preamble. My second
20 paragraph at the legal level, they had arrived at their
21 decision as conveyed in their April, '84, letter. I wasn't
22 commenting on that, it was not my responsibility nor
23 competence. The critical point, I think, is the third
24 paragraph, "However, the additional documentation and
25 explanation received does not provide, from an audit

1 perspective, adequate or proper support of a payment."

2 And this was what I was conveying to them. And also that
3 I found it difficult to accept the veracity of the explanation
4 and the documentation provided, as an auditor.

5 Q. And I take it the following concerns...

6 A. Then going into detail, that was supporting, you know, why I
7 did. I don't know that you need all of that or do you?

8 Q. No.

9 A. No, not necessarily. And then I must report, which goes to
10 the next page. I must report a follow up to the '83 article, in
11 several areas, some of which don't impact directly on the
12 MacLean situation, but deal with other issues such as the
13 adequacy of the legislation on the guidelines and so on.
14 Unable to indicate what precisely will be stated. At that
15 point in time I had not drafted the article. I think this is
16 important. But I had an idea of what I would be saying and
17 the subsequent wording of it you see in the article. But I
18 would be...I would be talking about progress to date and
19 we'll avoid names and have to describe briefly the types of
20 occurrences that took place.

21 Q. Is it fair to say in sum and substance that you called the
22 meeting for the purpose of advising both the Attorney
23 General and the Speaker that while you had to accept the
24 Attorney General's decision on criminality, that from an
25 audit point of view you felt the matter still had to be

1 commented on in your report and you were so advising
2 him?

3 A. That's correct.

4 Q. Was there any reaction by either the Attorney General or
5 the Speaker with respect to your indication that this matter
6 would be included in your report?

7 A. No, there was no reaction, just acceptance of it. I conveyed
8 it to them and it was...I wasn't expecting any nor did they
9 feel that I required any.

10 Q. Given the earlier conclusion that there was no need for the
11 police to pursue the matter, was there...was there any
12 suggestion to you that, look, this matter is being dealt with,
13 what are you bothering with it?

14 A. No, no, no such indications.

15 Q. At the bottom of the second page of your notes, Mr. Cormier,
16 there is a notation under "other matters" which reads,
17 "What is process re referral to and action by RCMP, refer to
18 Premier's remarks." Could you elaborate on that for us,
19 please? It's the last note under "Other matters."

20 A. Yes, yes, yes. I guess I'm going to have to...to give, to give
21 you a bit of background to put this in context. Until this
22 MacLean situation came to our attention, and that would be
23 in calendar year '83 and in to early '84, I for one was not
24 entirely certain of what the legal processes were with
25 respect to what the RCMP could do on their own initiative

1 apart from direction by, say, a department such as the
2 Attorney General. And in conversation with Inspector Blue
3 somewhere in the spring of 1984, I can recall asking him
4 this question and he indicated to me that investigations of
5 this nature can be undertaken by the RCMP without
6 approval.

7 Q. Did you say can be or...

8 A. Can be.

9 Q. Can be.

10 A. Can be, yes. And my reason in putting, and I think
11 in...during the election campaign, as I recall, the Premier
12 made a statement to the effect, that's why the reference to
13 the Premier, the Premier made a statement to the effect that
14 the RCMP can undertake these investigations if they so see
15 fit. And I as just confirming my understanding of the
16 process as I now knew it with them and that was the
17 purpose of that note at the bottom, that we could, in fact,
18 request the RCMP on our own to conduct an investigation,
19 the RCMP or any other police body for that matter could
20 undertake it. They would then file a report with those who
21 were charged with prosecution and at that point a decision
22 is made whether or not to proceed with prosecution.

23 Q. Yes.

24 A. And I was just running through the...

25 Q. Was there any either contrary or confirming...

1 A. No, no.

2 Q. ...view expressed to your conclusion?

3 A. No. But this was more background information for myself.
4 It wasn't necessarily that I was intending at that point in
5 time to initiate a request. Nor was I going to request of the
6 RCMP to do it. As far as I was concerned, it had been settled
7 as far as the legal authorities within the government were
8 concerned by the letter of April '84.

9 Q. So..

10 A. But I was just trying to get...trying to run by them my
11 understanding of it to make sure that I was not in any way
12 improperly informed or unaware of the circumstances.

13 Q. Are you saying that in retrospect there was no need for you
14 to have approached the Attorney General after you got the
15 RCMP involved?

16 A. I suppose that's true, yes.

17 Q. And there was no disagreement.

18 A. No.

19 Q. To that expressed by either Mr. Giffin or Mr. Coles?

20 A. No.

21 Q. Just very briefly, Mr. Cormier, on page 41 of the materials, a
22 letter dated January 4th, 1985, from the speaker to yourself
23 and he comments on matters which you raised in your
24 earlier letter of November 29th, '83. The first paragraph he
25 says, second sentence, "Six items were raised in your report,

1 one of which relating to documentation supporting expense
2 claims made by Mr. MacLean has been otherwise dealt
3 with." With respect to the phrase, "...has been otherwise
4 dealt with," what did you take that to mean?

5 A. I took that to mean that it was decided by virtue of the
6 April '84 letter of the Attorney General that no further
7 action or no investigation would be...would be undertaken.

8 Q. The other matters that you raised in your report were dealt
9 with by the Speaker's office.

10 A. Yes.

11 Q. And he commented on those.

12 A. That's right.

13 Q. And your reply on page 43 and 44 accepts his explanations.

14 A. Yes, because in all cases reimbursement was made for these
15 other items.

16 Q. Now your report that was tabled in April of 1985 for the '84
17 did you, in fact, provide a draft copy of the relevant extract
18 to the Speaker?

19 A. I showed the article to the Speaker in it's final draft form
20 just before it went to the printer, not for change or
21 discussion or debate but just for information purposes which
22 is our normal practise on matters of import for an annual
23 report.

24 Q. And was there any reaction by the speaker as to what you
25 proposed to say?

1 A. His reaction was that it was a fair statement of the situation.

2 Q. And in our materials at pages 6 through 11.

3 A. 6 through 11.

4 Q. 6 through 11, yes, the extracts from your report.

5 A. Uh-hum.

6 Q. Now I understand that then to be the extract from your
7 1984 report tabled in April '85 which dealt with the
8 expense account question?

9 A. Correct.

10 Q. And do I understand that as a result of that there were
11 questions raised that led to a further RCMP investigation?

12 A. Correct.

13 Q. That report is, of course, tabled in the House and made
14 public.

15 A. Yes, it is.

16 Q. And would I be correct in stating that the RCMP
17 investigation itself, which ensued, was considerably more
18 extensive both in scope and in time, than your earlier audit?

19 A. It was, it was quite a bit more extensive.

20 Q. Did you provide any assistance to the RCMP in their
21 investigation?

22 A. Yes, we did.

23 Q. What was the nature of that assistance?

24 A. We provided them with the documentation that we had
25 derived from our initial audit in '83 and some subsequent

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1 audit work in '84 and we also reacted to various findings they
2 had during their investigation which took place during '75
3 and '76, maybe mostly in '76.

4 Q. At the commencement of your testimony you voiced the
5 concern about the matter being taken lightly by the
6 Department of Attorney General. At the conclusion of the
7 matter, say up to the time that your '84 report was tabled in
8 April of '85, did you have any view of your own with respect
9 to how the matter had been responded to or looked at by the
10 Department of Attorney General?

11 11:30 a.m.

12 A. I suppose it's fair to say that I didn't think of it much beyond
13 what I had indicated to you earlier in reaction, in my...
14 expressing my reaction to the April letter. But surprised,
15 disappointment. Thought it warranted maybe an
16 investigation. No, maybe about it. I thought it warranted a
17 further investigation and then the other aspect that I would
18 have to report upon it. But I didn't, you know, I didn't
19 continue to reconsider after that time what they should or
20 should not have done, or even considered making any further
21 overtures to them.

22 Q. Is it fair to say that you left the issue of legality and
23 criminality to others and you focused on your own
24 responsibilities as Auditor General?

25 A. That is a correct way of stating it, yes.

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1 MR. ORSBORN

2 Thank you, sir.

3 MR. MERRICK

4 Mr. Ruby?

5 EXAMINATION BY MR. RUBY

6
7 Q. Mr. Cormier, it would seem to me that the system for
8 reimbursement of members' expenses is basically a system of
9 trust. Is that true?

10 A. A system of trust? I'm not sure, Mr. Ruby. These are just
11 regular type of expenses, the ones that we're speaking of,
12 travel expenses.

13 Q. You don't have an investigative staff that goes out routinely
14 and checks whether or not the expenses, in fact, occurred...
15 incurred if you get a voucher?

16 A. If I get, excuse me?

17 Q. A voucher of some kind.

18 A. A voucher, a satisfactory voucher that appears reasonable in
19 the circumstances. If the House was sitting, a committee was
20 meeting, what have you, yes.

21 Q. If it looks reasonable on its face, you conduct no independent
22 investigation.

23 A. That's correct.

24 Q. So, in that sense, you trust the Member to be honest.

25 A. In that sense, yes.

1 Q. So it's a system of trust in that sense?

2 A. Yes, but it's a normal type of expense. It's nothing out of the
3 ordinary. There are all kinds of travel expenses being
4 incurred by public servants, other Ministers, Members, and so
5 on. So there's nothing really unique about these expenses.

6 Q. The process is routine.

7 A. Yes.

8 Q. These particular receipts, I've not seen them, but do they
9 contain figures that are attributable to meals, for example?

10 A. Yes, they do.

11 Q. And when I buy a meal, ordinarily, I pay some tax to
12 whoever is receiving the money for the meal.

13 A. Uh-huh.

14 Q. Do these bear amounts allocated or indicating they're
15 allocated for that purpose as well?

16 A. Yes, they do.

17 Q. And would the meal amounts be the same in each case, or
18 would they be different?

19 A. Well, I haven't looked at them for awhile. I think they vary.
20 You know, it wasn't necessarily an identical charge.

21 Q. So the tax payable in each case would be different as well.

22 A. Yes.

23 Q. The room accommodation portion of them, would that have a
24 tax portion payable as well?

25 A. Yes, I think it did. I think there was tax at that time. If there

1 was tax applicable, it was charged, yeah. Because if you go to
2 page one of the submission, if I might, there were 42 cases
3 there in continuity. They included meals and tax charges as
4 well.

5 Q. You're looking at which document?

6 A. I'm looking at page one of what I received. Just consider that.
7 Four lines from the bottom, five, six lines. Six lines from the
8 bottom.

9 Q. They include meal and tax charges as well.

10 A. Yes.

11 Q. One of the problems with any explanation that was given, I
12 take it, you said at one point that you had difficulty accepting
13 it. I believe that's at page three where you say the
14 explanation was not too plausible, in the middle of that page?

15 A. Okay, yes, not too plausible, right.

16 Q. One of the reasons, I take it, why it was not too plausible was
17 that there would be no explanation for why he had submitted
18 vouchers for tax when, obviously, there had been no tax on
19 the account he was giving.

20 A. But if you will remember, I had agreed at that meeting that I
21 was not going to question him further with respect to the
22 authenticity of the documentation.

23 Q. Got it. But I might clarify, when you say that it was not too
24 plausible, that would be one of the reasons why it was not
25 plausible.

1 A. If they were memos, as he purported them to be, they
2 wouldn't have all that detail on them, which made me
3 conclude that they were being used to be represented as bona
4 fide travel expense vouchers, which in fact they were not.

5 Q. And is my reasoning correct, and I think it is but you may
6 not... I want to put it to you squarely. He announced as well
7 that these weren't intended to represent the actual occasion,
8 but they were intended to represent the expenditures
9 actually made. That explanation could not be true in your
10 view because *inter alia*, there were tax portions on the
11 accounts which were submitted which, on his present
12 explanation, should not have been there. Does that make
13 sense? Am I right or wrong?

14 A. That's right, and if I might refresh on one other thing, can I
15 pause for a second and look at...

16 Q. Sure, because I'm going to ask you what else made it not too
17 plausible, so I understand.

18 A. Yeah, that's what I'm seeking out. If I might find it in here.
19 I'm looking for Mr. Donahoe's memo to Mr. Coles on the
20 meeting.

21 MR. PINK

22 Page 29.

23 MR. CORMIER

24 A. Page 29? Thank you. All right, page 30, third paragraph
25 from the top:

1 The procedure he followed was to keep track of
2 these trips. On his return to Port Hawkesbury,
3 he would advise a female employee, have her
4 ring through receipts for accommodation after
5 first clipping off the name and submit these
6 receipts in support of his expenses.

7 That is not, in fact, what took place because they were in
8 continuity. It had been done all at one time and not after
9 individual trips.

10 Q. So you knew that explanation, as you sat there, could not
11 have been true.

12 A. That's right.

13 Q. Is there any other reason why you found it not too plausible?
14 And I'm asking these questions because later on, I want to
15 speak to the Deputy Attorney General and ask him whether
16 he considered these matters?

17 A. Those, Mr. Ruby, would have been the principal ones.

18 Q. You went to a meeting early on with Mr. Coles and Mr. Sarty
19 and yourself, I think it was the first meeting with Mr. Coles, if
20 I remember correctly, and you told us that Mr. Coles said that
21 he thought you should have gone to the Attorney General's
22 Department before you went to the R.C.M.P. But you didn't
23 tell us why he said that. Can he advance any reason for that?

24 A. I can't recall any reason. He might have said that that's
25 normal practice in government departments to come to us,

MR. CORMIER, EXAM. BY MR. RUBY

1 but I do know that Sarty replied, as I indicated earlier,
2 because of our position, we felt it was the thing to do.

MR. CHAIRMAN

3
4 Q. You're not really [in a department of government?]

5 A. Not really, not in the sense that others are, no. A far different
6 reporting responsibility. A lot of the things are similar, but
7 we are different.

MR. RUBY

8
9 Q. There's an area that I'm confused on and I want you to help
10 me, if you would. At page 33 of our booklet, I'm the middle
11 of the letter you referred to from Mr. Coles to Mr. Gale... from
12 Mr. Gale to Mr. Coles, at page 33.

13 A. I'm seeing this for the first time, you realize that.

14 Q. I think the information that I'm going to refer you to, you're
15 familiar with.

16 A. All right.

17 Q. Under the first paragraph, the last part of the first paragraph,
18 he was asked to obtain a letter verifying the fact that he did
19 stay with him and verifying the amount paid by him. We
20 now have a short note stating that Mr. MacLean stayed with
21 him approximately 40 or 45 days between June and
22 December and contributed in the area of two thousand dollars
23 as compensation. I'm confused about this now. See if you can
24 help me. The note accounted for two thousand dollars of a
25 total of sixty-nine hundred dollars worth of expenses?

1 A. Yes.

2 Q. Okay, the balance of the sixty-nine hundred, was it
3 accommodation expense as well, covering the forty or forty-
4 five days between June and December, or was it something
5 else?

6 A. There were meals and, as we talked about earlier, the other
7 charges were in there. The meals, tax charges, and there
8 were associated mileage charges with them, too, I think. I
9 don't have the schedule with me that takes it out to the final
10 amount. I didn't bring those with me, but there would be
11 other costs. The two thousand was purported to represent a
12 contribution for accommodation at this person's residence.

13 Q. And the rest of the eighty-five dollars per day per diem
14 would be for the ancillary costs -- meals, travel, and so forth.

15 A. That's right.

16 Q. Forty or forty-five days... Was there anything wrong with
17 those figures? I'm looking at them and I'm having some
18 difficulty. Was that a reasonable amount, two thousand
19 dollars for the forty to forty-five days? Does that make sense
20 or does it not make sense?

21 A. That's a difficult one to respond to.

22 COMMISSIONER EVANS

23 It works out to be about fifty dollars a night.

24 MR. CORMIER

25 A. Yeah, I suppose for that part of it, it's not out of line for fifty

1 days... for forty days, excuse me, yeah.

2 Q. That's in line with the other kinds of submissions you'd be
3 getting from other Members.

4 A. Yeah, that would be a hotel charge about that time, yes.

5 Q. Last question. Did you have any difficulties, did anyone put
6 any pressure on you or any consequences to you as a result of
7 your involvement in this case and what you did? Was there
8 any backlash or any response?

9 A. No, none whatsoever.

10 Q. Thank you very much, sir. Before you... One last issue. At
11 page two, the third last paragraph, I don't understand it.
12 Could you just explain what you mean: Regarding media.
13 "I'm not prepared to say which media have what and prefer
14 to have their permission to advise you." What was that
15 about?

16 A. I'm just trying to pin-point the timing for a second.

17 Q. Sure, take your time.

18 A. The election, as I recall, in 1984 was 6th, 7th of November...
19 3rd, 4th? I can't recall the exact day, but it was a Tuesday of
20 the first full week of November. Roughly, three to four weeks
21 prior to the election, I became aware that the media had
22 certain information concerning these expense accounts. Like
23 our summary of the MacLean situation.

24 Q. And I don't understand what that entry means then.

25 A. Oh, I think... Excuse me, to fill in its entirety. I made the

1 Speaker aware of this after the election and before my annual
2 report came out, that this certain information was known to
3 some members of the media and I believe the Attorney
4 General's Department probably knew it at this time as well.
5 I'm not sure but, in any event, I was conveying to them that
6 fact, that the details of the MacLean situation were known not
7 just to Auditor General, Attorney General, R.C.M.P.

8 Q. Right, and you indicated that you were not prepared to say
9 which media had what information?

10 A. That's correct.

11 Q. So the word "information" is what you were referring to
12 there.

13 A. That's right.

14 Q. And "their permission," would be the permission of the media,
15 who you had spoken to.

16 A. That's correct.

17 MR. RUBY

18 Thank you very much. That's all I have.

19 11:45 a.m.

20 EXAMINATION BY MR. PRINGLE

21 Q. Just two minor little areas. Mr. Cormier, would you refer to
22 page 19 on the booklet, Exhibit 173. Have you got that?

23 A. Page 19, yes.

24 Q. Yes. It refers there to a note of a telephone conversation
25 from yourself to Staff Sergeant Leigh setting the time for the

1 meeting with the Attorney General's Department on
2 November the 22nd at 2:00 p.m., in the middle paragraph.

3 A. Oh, yes, excuse me, yes.

4 Q. Yes. Do you recall that, you setting the time for the meeting
5 with the Deputy Attorney General as being 2:00 p.m. on that
6 Tuesday?

7 A. I can't recall setting it. I'm just looking at what I extracted
8 from my diary on the exact timing of that.

9 Q. Yeah.

10 A. It was...it was not...it was a morning meeting.

11 Q. No. To assist you, if you'd turn to page 27 of the booklet.

12 A. Oh, excuse me...we're in the...we're in the wrong year, I'm in
13 the wrong year, excuse me, yes.

14 Q. Oh, okay.

15 A. I'm sorry.

16 Q. All right. Do you recall the meeting as being set at 2:00 p.m.,
17 that is being set by yourself with the Deputy Attorney
18 General?

19 A. Yes, I phoned his secretary and made that time while he
20 was out of town, yes.

21 Q. Because I'm wondering if you...you set the 2:00 p.m. and
22 then advised the RCM Police that the meeting was 2:00 p.m.,
23 and how did you happen to get there and have that earlier
24 briefing with the Deputy Attorney General before the police
25 arrived?

1 A. My recollection was that we would meet with the Deputy
2 Attorney General and his Director prior to and go over it
3 with them. Now whether I arranged that with Inspector
4 Blue or Superintendent MacGibbon or whether they
5 suggested it, I can't recall.

6 Q. Let's have a look at page 27 to see if it assists you, a letter of
7 November 14th, '83 to Mr. Coles from yourself. The second
8 last paragraph, you set the time of 2:00 p.m., is that correct?

9 A. Yeah, when you say "I set it," I talked to his secretary.

10 Q. Okay.

11 A. And she said he was away and that he has a free time, he'll
12 meet with you then, yes.

13 Q. Right. One other matter, Mr. Cormier, at page 31 of this
14 booklet, the last page of the letter from Mr. Donahoe to Mr.
15 Giffin of January 13th, 1984. In the second-last paragraph,
16 it's indicated "Mr. MacLean indicated that he would obtain a
17 letter from (blank) verifying the fact that he did, in fact,
18 stay at (blank) apartment and insofar as is possible
19 verifying the amount paid to him (blank). Mr. Cormier and I
20 indicated that it would be desirable if this letter could be
21 obtained as quickly as possible." Do you recall so indicating
22 to Mr. MacLean at that meeting of January 10th, 1984?

23 A. When the minutes of the meeting were given to me by Mr.
24 Donahoe, that was the one item that I thought, well, I can't
25 remember telling Mr. MacLean to get it as soon as possible.

1 Q. Uh-hum.

2 A. But it struck me as being so insignificant I didn't bother
3 with any revision. The rest of it conveyed the sense of the
4 meeting.

5 Q. You didn't bother. Yeah.

6 A. I mean it didn't...to me it was in the material.

7 Q. Uh-hum.

8 A. Whether he or I or both, but remember Mr. Donahoe, as
9 Speaker, was conducting the meeting, asking the questions,
10 taking the notes and I was...

11 Q. Yeah. You didn't do anything about it because the last
12 paragraph, and you've agreed with that this morning in
13 direct evidence.

14 A. Yeah.

15 Q. Says "I should add that Mr. Cormier has seen the contents
16 of this memorandum and agrees that it accurately sets forth
17 the discussion."

18 A. But I think it clear to understand one thing, it was not my
19 initiative of MacLean to produce this as soon as possible.

20 Q. Uh-hum.

21 A. I was taking no initiatives at that meeting.

22 Q. Just one further area, page 14 of this booklet, Exhibit 173.

23 A. Page 14, yes

24 Q. Yes, it's a...part of the continuation report of Staff Sergeant
25 Leigh under date of the 26th of October, 1983, you see that

1 from the previous page.

2 A. Yes.

3 Q. The bottom of page 14, Staff Sergeant Leigh has written,
4 "The Auditor General did not know if he should make a
5 formal request for investigation to the police, the Speaker of
6 the House, or the Attorney General." Do you recall saying
7 that to Staff Sergeant Leigh or indicating that?

8 A. Yes, I think he did, but if you take it in the context of the
9 next following sentence.

10 Q. Sure.

11 A. We had an on-going agreement to meet again with the RCMP
12 and at that point decide, and this is what we did on the
13 28th.

14 Q. Sure. My only point, sir, is I take it there was some
15 confusion, at least in your mind, as to whom you should be
16 reporting these irregularities to and what the process should
17 be at that time?

18 A. I wouldn't say confusion as to whom we should be reporting
19 the irregularities. It goes back to the point I discussed a few
20 moments ago. I don't think either Mr. Sarty or myself were
21 completely certain of what rights or processes there were
22 from us...for us to request the RCMP to do an investigation
23 apart from the other. But there was not too much confusion
24 in our minds as to whom we should run this by first.

25 Q. Okay. Thank you.

MR. CORMIER, EXAM. BY MR. PINK

1 A. All right?

EXAMINATION BY MR. PINK

2
3 Q. Mr. Cormier, could you look again at page 14, just where Mr.
4 Pringle was referring you to? You'll note there that there's a
5 reference that says, "The Auditor General," I take it that
6 refers to Mr. Sarty, "Explained that the meeting was an
7 informal information meeting in which he was seeking
8 advice."

9 A. Yes.

10 Q. Is that your recall, do you have that recollection of what Mr.
11 Sarty said?

12 A. Well, we were seeking advice but, you know, I have a tough
13 time using the word "informal" when an Auditor General sits
14 down with the RCMP, if I...if I might, you know, respond. I,
15 ah, he was seeking advice. I would say it was a meeting, an
16 information meeting. Whether it was informal or not I really
17 have trouble with the word "informal" in here, I do, Mr.Pink.

18 Q. I take it that when you requested the RCMP to come in
19 initially you wanted an objective third party with some
20 expertise in this area to look at the material that you had...

21 A. Exactly, exactly, yes.

22 Q. And what was going to result from their examining the
23 material was yet...had yet to be determined.

24 A. Precisely.

25 Q. You gave the RCMP some material to take away with them.

MR. CORMIER, EXAM. BY MR. PINK

1 A. Yes.

2 Q. And they were some of the expense claims that were the
3 cause of your concern.

4 A. That's correct.

5 Q. You subsequently gave some material to the Attorney
6 General's Department.

7 A. Yes.

8 Q. Are we talking about the same material?

9 A. Yes.

10 Q. So the RCMP had the same material to look at that that the
11 Attorney General's people had eventually.

12 A. Yes. We probably gave the RCMP samples without
13 necessarily the full file because they didn't need it. The
14 Attorney General would have been provided with more
15 information, more complete...the complete documentation.

16 Q. But we're still concerned with these expense vouchers.

17 A. Yes.

18 Q. That was the issue.

19 A. That's correct.

20 Q. Could you look at page 19 in that booklet again, sir?

21 A. Yes.

22 Q. I'd like to just deal briefly again with the meeting that you
23 had with the Speaker and the series of events that led up to
24 that meeting with the Speaker and Mr. MacLean. That was
25 in January, correct?

MR. CORMIER, EXAM. BY MR. PINK

1 A. Uh-hum, January '84, yes.

2 Q. Now the indication from the RCMP's report on page 19 is
3 that the matter was going to be brought to the attention of
4 the Attorney General.

5 A. Yes.

6 Q. Do you know if the Speaker had separate discussions with
7 the Attorney General's personnel other than where you
8 were present?

9 A. I'm not aware, he may well have, I, you know, this wasn't
10 up to us to pursue.

11 Q. And at the bottom of page 19, there's a reference to, ah, that
12 the speaker felt an obligation to advise the Premier on the
13 matter...

14 A. Yes.

15 Q. ...as soon as possible.

16 A. Yes.

17 Q. What do you recall of the Speaker's advice to you on that
18 particular issue?

19 A. When he met with Mr. Sarty and myself on, what was the
20 date? November the 10th. Remember that we had had our
21 second meeting with the RCMP and we had decided that we
22 would go to the Attorney General's Department with it,
23 correct? That decision was made when we came out of the
24 second meeting with the RCMP.

25 Q. The second meeting with the RCMP was on the 28th of

1 October.

2 A. That's correct. We had made that decision and, in fact, Sarty
3 had written a letter that day to Coles indicating that we
4 wanted to speak to him about it. But we felt that we should
5 review these findings with the Speaker in the interim as
6 being the client executive responsible. All right. The
7 Speaker, unfortunately, was out of the country and that's
8 why we were not able to meet with him until November the
9 10th, was it? November the 10th, yes. And the Speaker
10 conveyed to us that he felt he should advise the Premier of
11 the situation and Sarty and myself agreed that that was not
12 an inappropriate advice for him to take.

13 Q. Did the Speaker tell you about the discussion that he had
14 with the Premier?

15 A. Well, this was...this was at the meeting. He hadn't had the
16 discussion with the...

17 Q. I appreciate that.

18 A. Subsequently.

19 Q. Subsequently, yes.

20 A. Oh, subsequently, excuse me, yes, and it would be
21 subsequent to this memo here. Yes. That the Premier was, I
22 guess, surprised and disappointed, I can't remember the
23 exact words, but it was...it was a bit of a surprise and I
24 suspect a shock to the Premier.

25 Q. And did the Speaker indicate if the Premier had given him

1 any advice?

2 A. Oh, no, there was no advice to do anything other than what
3 we were doing. There was nothing conveyed to me that we
4 should proceed any differently or that there should be any
5 different process followed other than us now meeting with
6 the Attorney General... Deputy Attorney General, excuse me,
7 when he returned.

8 Q. Did you have any communication with the Premier
9 regarding this matter?

10 A. Did I have any communication? Not at that time.

11 Q. That time being when?

12 A. The fall of 1983. My first, and I think only, communication
13 with the Premier on this matter would have been, I don't
14 know the date, but I know the day. It was Easter Saturday
15 morning, 1985, when I met with him on another matter.

16 Q. Okay.

17 A. And...

18 Q. I'd like to take you back then...

19 A. Yeah.

20 Q. ...to the time that we're dealing with, the end of '83, early
21 '84. From your previous answer, I take it you had no
22 discussions with the Premier at that point.

23 A. No, no, no, no.

24 Q. Could you look at page 23? Again this is a document
25 produced by the RCMP, and it starts, it's a memo as a result

1 of a conversation with you in January, 1984. January 11th,
2 and I believe the author is Staff Sergeant Leigh. I'm advised
3 that the...in the second line there, the word that's blacked
4 out indicates the Premier. So it would read, "Telephone call
5 from Mr....from Paul Cormier, Deputy Auditor General," I
6 don't know what the last word is, "NS". He advised that
7 yesterday on the advice of the Premier and Arthur Donahoe,
8 the Speaker, he attended a meeting in Speaker's office
9 between Speaker and W. J. MacLean." My question, sir, is...

10 A. Oh, I can't recall that.

11 Q. Did you...first of all, my first question is, did you receive any
12 advice from the Premier that you should attend that
13 meeting?

14 A. I can't recall that at all, Mr. Pink, I'm sorry. That's...in my
15 recollection and, you know, it's relatively clear because
16 these were fairly significant events, receiving a call from the
17 Speaker to attend the meeting, indicating some surprise and
18 saying "I'd get back to you," contacting Blue, getting his
19 advice which I've already indicated, and then going to the
20 meeting. I, for the life of me, can't recall talking to the
21 Premier and getting his advice to go to the meeting. I'm
22 sorry, but I might have, but I certainly can't recall it and I
23 think it would stand out.

24 Q. In going to the meeting itself you had the concurrence of
25 Inspector Blue.

1 A. Concurrence, I suppose if you want to term it concurrence. I
2 asked for advice and he advised that there would be nothing
3 wrong providing I adopted the stance which I did.

4 Q. Which was to go and listen and say nothing.
5 12:00 p.m.

6 A. Yes.

7 Q. And you followed that advice.

8 A. Yes.

9 Q. And advised the R.C.M.P. of the results of that meeting.

10 A. Yes.

11 Q. And the gist of the advice is contained or the gist of your
12 report is contained on page 23.

13 A. I'm having trouble with the missing blanks, of course, but
14 you're asking me to respond to that full paragraph on page
15 23?

16 Q. Yes, I'm wondering if that's a fair representation of the report
17 that you gave to Mr. Blue?

18 A. Staff Leigh.

19 Q. Or to Staff Leigh, sorry.

20 A. I would say so. May I just read it slowly again to see if...
21 Seeing that, we've already talked about that. Asking for an
22 explanation, yeah. The information... I'm not sure what's in
23 parenthesis. I'm not sure about that parenthetically enclosed
24 sentence. I have trouble with that. I'm not sure what that
25 means.

MR. CORMIER, EXAM. BY MR. PINK

1 MR. PINK TO MR. MACDONALD

2 George, can you help us out there?

3 MR. CORMIER

4 A. But from there on, it looks all right to me, if I might just go
5 through it again quickly.

6 Q Mr. MacDonald advises me, Mr. Cormier, that every blank,
7 except for the one I pointed out on Line 2, refers either to the
8 Speaker or Mr. Donahoe, one in the same person, but just by a
9 different name.

10 A. Okay. "Speaker had the information in a report dated..."
11 Okay, that would be one of the informations that we
12 submitted to the Attorney General for their back-up
13 documentation on the case. I guess that's what that is, yes, all
14 right. "MacLean explained the matter..." I'm not sure if I can
15 pick up the blanks in the last letter... in the last sentence.

16 Q Again, they're the same words.

17 A. "Stated that the Speaker..."

18 Q That's a third person, I take it, that's not related with this
19 investigation.

20 MR. MACDONALD

21 That last sentence is not relevant to this...

22 MR. CORMIER

23 A. Oh, okay, okay. Okay, fine, thank you. So, yes, it does convey
24 the essentials of the meeting, yes.

25 Q And in summary fashion, it reflects the content of Mr.

1 Donahoe's memorandum to Mr. Coles found on page 29.

2 A. Yes.

3 Q. And the gist of what Mr. MacLean was saying was that he had
4 actually incurred the expenses and had gone back to his
5 residence, recorded them through this method of these motel
6 receipts, and submitted them with his statements of expense
7 claims.

8 A. That's correct.

9 Q. And that was the explanation that you had difficulty with.

10 A. Yes, I did.

11 Q. But, in any event, that was the one that was communicated to
12 the R.C.M.P., correct? That explanation?

13 A. By me in my conversation with Staff Leigh, yes.

14 Q. And that was the one that was communicated to the Attorney
15 General's Department.

16 A. By Mr. Donahoe in his letter of January 13th, that's correct,
17 yes.

18 Q. Just one question that I neglected to ask you. When you
19 advised Mr. Blue earlier on that the Speaker was going to
20 advise the Premier, he did not object to that?

21 A. Not that I can recall. Not that I can recall. I mean it certainly
22 didn't strike us as an unreasonable request of the Speaker.
23 He was conveying this to the person to whom Mr. MacLean
24 reported as a Minister.

25 Q. The information given by Mr. MacLean was communicated to

MR. CORMIER, EXAM. BY MR. PINK

1 Mr. Coles in the memo from the Speaker. Correct?

2 A. The?

3 Q. Page 29.

4 A. Yes, back to 29, that information was conveyed.

5 Q. From the Speaker to Mr. Coles.

6 A. Yes.

7 Q. And then the next involvement you had was the letter of
8 April from the Attorney General to the Speaker and copied to
9 you?

10 A. Correct.

11 Q. And it appeared that the Attorney General's Department
12 accepted the explanations given by Mr. MacLean and
13 communicated in the way that we've already discussed.

14 A. That would seem to have been their conclusion, basis of their
15 conclusion.

16 Q. And you were content that they were the authority to deal
17 with the "criminality" and you were going to deal with it
18 subsequently as an audit matter.

19 A. Right.

20 MR. PINK

21 Thank you, sir. Those are my questions.

22 MR. ORSBORN

23 Very briefly, Mr. Chairman.
24
25

RE-EXAMINATION BY MR. ORSBORN

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Q. Mr. Cormier, back on page 23, the top couple of lines there that my friend, Mr. Pink, referred you to, apparently involvement of the Premier. Was there anything in the request from the Speaker to you in connection with attending this meeting that would suggest that the Speaker had been consulting or talking to the Premier about the process to be followed?

A. Again, let me make sure I understand your question, Mr. Orsborn. Could I get the timing again, please? I'm sorry.

Q. Yeah, you told us earlier that it was your understanding that the Speaker had been asked to convene this meeting with Mr. MacLean and yourself at the request of the Department of Attorney General.

A. Yes.

Q. Just the Department or can you remember whether it was the Attorney General or Mr. Coles or Mr. Gale?

A. No, I can't recall that. I presume it was Coles or Gale, but I don't know. I don't know precisely who it was.

Q. This note of Staff Leigh's would suggest that the meeting was being called on the advice of the Premier and the Speaker. Was there anything in your conversation with the Speaker when he called you to attend the meeting that suggested an involvement of the Premier?

1 A. No, what this is saying, if I read through the blacked out lines,
2 it was on the advice of the Premier and?

3 Q. And Mr. Donahoe. What the note says is that this is reporting
4 a conversation that you apparently had with Staff Leigh, and
5 Staff Leigh writes that you said that you attended a meeting
6 in the Speaker's office on the advice of the Premier and Mr.
7 Donahoe.

8 A. I'm having real trouble with that. As I recall it, it wasn't
9 advice, it was a request from the Speaker to attend a meeting
10 and the meeting had been requested of him by the Attorney
11 General's Department, whomever, because to this point in
12 time, MacLean had not been confronted with our audit
13 findings.

14 Q. But at that time, do you recall any...

15 A. Now... Yeah, well, then I said I would rather not go. I
16 probably... I would rather not go and I said, "I'll get back to
17 you." And then the only person that I thought I could go to
18 and get a point... I shouldn't put it quite that way. A person I
19 thought I could go to and get a reasonable point of view with
20 respect to the proceedings in an investigation was Blue
21 himself. So I called Blue and I've conveyed to you what Blue
22 said, "Go and keep quiet."

23 Q. So you can't offer us any assistance as to...

24 A. The Premier is...

25 Q. Okay.

1 A. It may well have been, but I'm sorry, I can't recall that. I
2 can't recall that at all.

3 Q. You started to tell Mr. Pink about a discussion you had with
4 the Premier on Easter Saturday '85. Was that discussion with
5 respect to the MacLean matter?

6 A. It was asked if I had ever talked to the Premier about the
7 MacLean matter. I had a meeting with the Premier... Why it
8 was Easter Saturday, he had been away that week. I had
9 another matter to discuss with him, a fairly important matter.
10 And, at that time, there was a lot of talk in the Legislature
11 about MacLean's expenses. He was saying one thing and
12 other people were saying others and it was in the media and
13 so on.

14 Q. Was this before or after your report was filed?

15 A. After my report was filed.

16 Q. Yes?

17 A. And I felt the Premier should know what was the basis for
18 our statement in the annual report and, hopefully, he would
19 advise Mr. MacLean to be more cautious in the some of the
20 statements he was making publicly to the press. Because to
21 that point in time, I had not been requested to comment. I
22 had been very, trying to be very careful in what I was saying
23 to the press, but I didn't want it to blow up into MacLean
24 saying this, Cormier saying that, and get into a big discussion
25 in front of the media. And I wanted, that was why I advised

MR. CORMIER, RE-EXAM. BY MR. ORSBORN

1 the Premier. Subsequent to that, MacLean didn't say
2 anything too much before the press.

3 Q. You advised the Premier of some of the details of your
4 knowledge so he, in turn, could advise Mr. MacLean to keep
5 quiet?

6 A. Essentially, yes, yes, yes.

MR. CHAIRMAN

7
8 Thank you very much, Mr. Cormier.

MR. RUBY

9
10 Excuse me, My Lord, could I ask him another question to
11 that?

MR. CHAIRMAN

12
13 All right.

RE-EXAMINATION BY MR. RUBY

14
15
16 Q. About the meeting with the Premier that you've described,
17 what did the Premier say, if anything. You've told us what
18 you said. What did he say, if anything?

19 A. Mr. Ruby, I was there on another matter that was extremely
20 important to me. It was the appointment of a Deputy Auditor
21 General...

22 Q. I don't want.. I don't have...

23 A. I'm sorry, but I mean that was on my mind. That was the
24 premier thing before me at that point and I wanted that
25 resolved and this was an off shoot and I said, "By the way,

15410 MR. CORMIER, RE-EXAM. BY MR. RUBY

1 you should be aware of this and I don't want this to happen."
2 And I can't recall exactly what the Premier said. He maybe,
3 as I recall, just accepted my explanation of it.

4 MR. RUBY

5 Thank you, sir.

6 MR. CHAIRMAN

7 Thank you very much.

8

9 MR. MACDONALD

10 My Lords, perhaps, first of all, if I could get you to go
11 through this booklet. What's the number on that now?

12 CLERK

13 173.

14 MR. MACDONALD

15 There are a few other blanks that I think have to be filled
16 in, My Lords, and if I can just obtain that information this
17 morning. On page 19, there are three blanks. All of those blanks
18 refer to Arthur Donahoe, the Speaker of the House. On page 20...

19 MR. RUBY

20 Speaker and Speaker?

21 MR. MACDONALD

22 And Speaker.

23 MR. MACDONALD

24 Yes. "He had been in conversation with Speaker, Donahoe,
25 and Donahoe was concerned."

DISCUSSIONMR. RUBY

Ah, thank you.

MR. MACDONALD

On page 20, the first blank, "I saw no problem with Donahoe advising the Premier." On page 23, as has been pointed out to Mr. Cormier, the first blank in the original document says "Premier," "On the advice of the Premier," and the next blank is "Arthur Donahoe, Speaker of the House." All other blanks on that page refer to Mr. Donahoe, with one exception. The last sentence in that long paragraph refers to another matter and is not relevant to this MacLean issue. And on page 24, there is one blank and it also is referring to Mr. Donahoe.

The next witness, My Lord, is Chief Superintendent MacGibbon of the R.C.M.P. Do you intend to proceed now or do you want to...

CHAIRMAN

Well, you might get the preliminaries out of the way.