

# PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

Published by Order of the Legislature

## Standing Committee on Public Accounts

---

**DATE OF HEARING:** 22 FEBRUARY 2017

**MEETING STATUS:** PUBLIC

**LOCATION:** COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

**SUBJECT:** AUDITOR GENERAL'S REPORT ON E-GAMING

**COMMITTEE:**

James Aylward, MLA Stratford-Kinlock [Chair]  
Jordan Brown, MLA Charlottetown-Brighton [Vice Chair]  
Dr. Peter Bevan-Baker, Leader of the Third Party, MLA Kellys Cross-Cumberland  
Kathleen Casey, MLA Charlottetown-Lewis Point (replaces Bush Dumville, MLA West Royalty-Springvale)  
Darlene Compton, MLA Belfast-Murray River  
Chris Palmer, MLA Summerside-Wilmot  
Hal Perry, MLA Tignish-Palmer Road

**COMMITTEE MEMBERS ABSENT:**

Bush Dumville, MLA West Royalty-Springvale

**MEMBERS IN ATTENDANCE:**

Jamie Fox, Leader of the Opposition, MLA Borden-Kinkora

**GUESTS:**

Auditor General's Office (Jane MacAdam, Barbara Waite)

**STAFF:**

Marian Johnston, Clerk Assistant and Clerk of Committees

Edited by Parliamentary Publications and Services

The Committee met at 10:00 A.M.

**Chair (Aylward):** Okay ladies and gentlemen, I'd like to call this meeting to order at this time. Just before we get into the adoption of the agenda there are a couple of just quick things.

Kathleen Casey will be substituting in today for Bush Dumville. Welcome, Kathleen. I received correspondence as well from Dr. Peter Bevan-Baker this morning that, unfortunately, he's not able to make it. He's not feeling well.

We are down one committee member with the promotion of Sonny Gallant to Cabinet. I'm sure we'll hear sooner or eventually a replacement for Mr. Gallant.

At this time, then, I'd like to call for an adoption of the agenda.

**Ms. Casey:** So moved.

**Chair:** Thank you, Kathleen.

**Mr. J. Brown:** I don't think I have a copy of the agenda, Chair.

**Ms. Casey:** Oh, here's an extra one.

**Chair:** It's the same as the last 12.

**Mr. J. Brown:** I figured it might be.

**Chair:** Yeah. For my records, we had completed section 7 and the questions on section 7. Unless there is any contrary opinion to that I'd like to welcome the Auditor General, and Barb as well, to public accounts this morning.

We'll be now proceeding into section 8, which is titled: Protecting the Public Interest. We'll turn it over.

**Jane MacAdam:** The last section is on protecting the public interest. Throughout our work we noted a widespread disregard for Treasury Board policies relating to contracting.

The government of PEI entered into a relationship with the Mi'kmaq Confederacy and a local law firm without documenting the terms of their relationship. The

Department of Finance entered into an arrangement with a contractor for research on technology requirements with no signed contract.

Treasury Board policies on contracting were not followed in acquiring services for the loyalty card program. A competitive process was not used when a former deputy minister entered into three contracts with government within six months of leaving her government position.

We made a recommendation in paragraph 8.9: "Treasury Board should take action to enforce compliance with its policies on contracting."

On March 1<sup>st</sup>, 2011, more than eight months before a loan to the confederacy was approved by IIDI, the Legislative Counsel Office raised several concerns about the e-gaming initiative to senior officials in the department of justice. Other concerns were raised by senior officials and staff of IIDI and Innovation PEI throughout these projects.

We will never know whether these concerns would have been raised with the Ethics and Integrity Commissioner had the position existed at the time. The position was created on April 1, 2015.

The Public Interest Disclosure and Whistleblower Protection Policy came into effect on November 23<sup>rd</sup>, 2015. We acknowledge that the establishment of the policy was an important first step in providing a mechanism for reporting wrongdoing. We did not do detailed work on this policy. We did not compare the policy requirements to the legislation of other provinces, or best practices. The policy was not in place during our scope period. We did, however, note that most other provincial jurisdictions have whistleblower legislation.

We comment in the report that: "In our view, the policy falls short in providing the kind of environment that would ensure that employees of government could disclose wrongdoing without fear or reprisal, as the policy intends to do."

Policy does not provide the same level of protection to employees and statutory protection is better protection. We had a

recommendation in paragraph 8.10: “Government should consider adopting whistleblower legislation.”

We saw this as a recommendation that could help prevent or detect similar situations to what we observed in this report from happening in the future. Considering the report as a whole and the findings and issues identified it’s an opportunity to further protect the public interest. That’s the final section of the report.

**Chair:** Again, I’d remind committee members if you do have questions please advise the Chair and I’ll put you on the list.

Jamie Fox.

**Leader of the Opposition:** Thank you, Chair.

I want to go right to something you said here a minute ago, Jane. Treasury Board and your recommendation is 8.9: “Treasury Board should take action to enforce compliance with its policies on contracting.”

Can you expand on that?

**Jane MacAdam:** The recommendation was made simply because we noted numerous examples throughout the report where Treasury Board policy on contracting was not followed. We could have inserted it throughout the report, but we chose to just summarize it at the end and make one recommendation just to reinforce that fact that these are Treasury Board policies, they’re government’s own rules, and they should be followed.

**Leader of the Opposition:** Can you expand on the word ‘action?’ What action would you think should happen?

**Jane MacAdam:** In our recommendations we’re not prescriptive. We don’t prescribe exactly what they should do, but the end result should be that Treasury Board policies are complied with. They are their own policies. They’re put there because government thought they were important.

**Leader of the Opposition:** So –

**Jane MacAdam:** In our report we just comment on where we observe non-compliance with the policy.

**Leader of the Opposition:** Should there be consequences on not following Treasury Board policies?

**Jane MacAdam:** That’s up to government to decide. They may want to expand on their policies and add consequences, but that’s up to government to decide.

**Leader of the Opposition:** One final one, Chair.

Government should consider adopting – why would you – why wouldn’t the recommendation be that government should adopt? Why would we stop and say “consider” –

**Jane MacAdam:** It’s not the –

**Leader of the Opposition:** Is there any reason (Indistinct)

**Jane MacAdam:** – role of my office to recommend legislation or policy. It’s our role to ensure that the policies are implemented as intended.

In this case, based on all our work, all the findings, all the issues that were identified in the report, we saw it as an opportunity to add some extra protection to taxpayers’ interests. It’s just for government’s consideration.

**Leader of the Opposition:** Thank you.

**Chair:** Darlene Compton.

**Ms. Compton:** Thank you, Chair.

At the beginning of 8 here we have you say: “...inadequate protection of taxpayers’ interests.” I think that sums up this whole report.

You cited a common theme in this file: Inadequate protection of taxpayers’ interest. Your office has voiced similar concerns in almost every one of the annual reports since government took power in 2007.

In your opinion, what has happened in government that this is allowed to happen

over and over again; that rules are not followed and recommendations are given by your department year after year? Where are we going or what do we need to do differently to ensure that this changes? You give recommendations with every report that's issued. We look at it over and over again that rules were not followed.

Can you just elaborate on how you feel we move forward as a government? This government, since 2007, we've had report after report: the e-gaming file, we haven't gotten into ALC yet.

**Jane MacAdam:** The findings and the issues that we raise and the recommendations that we make are designed to improve practices in the future. It points out more examples and it reinforces the importance of following the policies.

Over and above that, we have that recommendation where government should consider whistleblower legislation. I see that as an extra layer of protection over and above the current policies and legislation that currently exist. There are a number of policies and pieces of legislation that are there, designed to protect the taxpayer. We have observed where there are cases that these are not always followed.

The whistleblower legislation would provide a further layer of protection for the taxpayer. We acknowledge that government did implement a policy, so that was an important first step. As we say in the report, legislation would be extra protection. Extra protection, especially for an employee who wishes to report a wrongdoing, they would be more inclined to go forward if they had that statutory protection behind them.

**Chair:** Darlene, go ahead.

**Ms. Compton:** On that note, and that's – I realize that last recommendation is that we should adopt whistleblower legislation.

If that was in place, do you feel we would have had bureaucrats come forward? Obviously, we feel there was wrongdoing done. If that's your final recommendation, that we need to have legislation in place, you're saying this would have been halted in midstream or –

**Jane MacAdam:** No, I can't say. We say in the report we'll never know whether these things would have come forward if the policy had existed at the time.

I can't speculate on what may or may not have happened even if the policy had been in place, but I do see it as an important opportunity to provide protection to strengthen the protection to the taxpayer. Like I have said, there are a number of mechanisms now that do protect the taxpayer, all the legislation policies that exist; and we've pointed out in this report that they're not always being followed, so this is another layer of protection.

**Chair:** Anything else?

**Ms. Compton:** Yeah. We talk about this. Every report that you do when you make recommendations, does the Office of the Auditor General need to be strengthened to ensure that the interests of the public are better protected?

Do you need more resources and more powers to ensure because we see it over and over again and the only recommendation we see to come from every report is: We broke the rules, we'll do better next time.

Is there a way for your office, if you were given more resources, or if your office was strengthened or had more ability, would that help with the reports that your give?

**Jane MacAdam:** If we had more resources we could conduct more audits and examinations. We could provide more independent assurance and advice and information to the Legislative Assembly.

As far as the powers of the Auditor General's office, our powers are in keeping in line with all the other jurisdictions across the country.

**Chair:** Chris Palmer.

**Mr. Palmer:** Thank you, Chair.

The follow-up on that, I think that whistleblower legislation is really important because that would, based on the advice from the Auditor General, we should be putting pieces in place. I hope that that's the path that we're going down.

I think this isn't really a question for Jane, but more to the committee when we talk about consequences of not following the rules. Isn't that part of our responsibility as the committee to figure out – if we don't feel the consequences are there, why aren't we making recommendations? Why don't we do that in our report?

To do a jurisdictional scan, let's look across Canada. Figure out what the consequences are in other places, and use that in our final report. We continue to talk about what are the consequences? Well, if they're not there, shouldn't we – if we're doing our jobs and we're taking this seriously, let's make recommendations, let's put that in the report, and have recommendations based on the evidence in other areas in Canada.

**Chair:** I'll speak to that. Chris, I'm very glad you brought that up because throughout this whole process and previous AG reports I feel that it is incumbent upon this committee, and that was going to be one of my intentions when we do meet to put our report together. The recommendations, I was going to strongly suggest and urge that this committee do that.

**Mr. Palmer:** Can we get some resources to help us with that?

What's the function inside of this community – inside of this committee to do some research to tell us what are the best practices in Canada?

Can we have that information so when we go into formulating, or putting together our report, that we have the data already, that we can look at it and say: Yeah we like that, or no we don't like that or whatever it is.

Is that a research piece that we can have started now and have it when we are ready to do our – to make our recommendation? We're here to make this better. That is what the committee is here for. Let's do the work. Let's take this seriously and do what we need to do, and have that in our recommendations when we're finished.

Is there a mechanism? Is there something that we need to do to start that process of doing some research?

**Chair:** Again, thank you for those comments, and suggesting that we take this seriously. I think that this committee has taken this issue extremely seriously. If you were to look at the time and the resources that the AG has put into this file and the time and the resources that this committee itself, and the number of questions that have been asked, and the amount of information that has been requested to be reviewed, definitely this committee is taking this issue seriously.

This committee has representation, as well, on a national committee within PACs, and we can certainly reach out to our fellow jurisdictions and find out best practices in other jurisdictions both provincially, territorially and federally.

Certainly, we'll put that request for research together.

**Mr. Palmer:** Okay, excellent. Thank you.

**Chair:** Jamie Fox, next on the list.

**Leader of the Opposition:** Thanks, Chair.

Chris, what you just said, the thing that – this is a very serious matter, people blatantly broke laws and policy. Yet, they're still in positions of authority and they were never held accountable by the government in power today. I think you have got to remember that.

Jane, do you have any suggestions for changes to the current budgetary or fiscal accountability policies that could help to ensure that there's no way that Treasury Board and Executive Council can continue to breach its own policy on legislation?

**Jane MacAdam:** Could you repeat that?

**Leader of the Opposition:** Do you have any recommendations that we could put in place, or we should be considering to ensure that Treasury Board and Executive Council don't break the guidelines and policies?

**Jane MacAdam:** All we can do in conduct our audits and report the results.

**Leader of the Opposition:** That must – it must be frustrating for you. You come out with, time after time with report after report,

and you say government did this wrong, government didn't follow that. Yet, government doesn't do anything to change it.

This government has done nothing to change –

**Jane MacAdam:** Well –

**Leader of the Opposition:** – anything that has been broken in the past.

**Jane MacAdam:** We do follow-up on previous recommendations. We include that information in our annual report each year. We do report on the implementation of recommendations. I can't recall, right now, what the percentage is from last year's annual report, but it's 80% or more of the recommendations that have been outstanding for a couple of years were implemented.

We did extra work last year on the implementation of recommendations, in terms of – it's not just self reporting by management. We have actually done some work to substantiate those numbers, those percentages.

Government is acting on recommendations and we are following up on the recommendations, and reporting the rate – the implementation – like a couple years after they have been outstanding we give them a couple of years to work on the recommendations and then we go in and do our work.

It's not like the recommendations are not being implemented.

**Leader of the Opposition:** Okay.

Anyone – you said throughout your investigation there were projects that were advanced without adequate due diligence and with a lack of transparency and accountability.

What kind of recommendation do you suggest this committee make to ensure greater respect of these policies and for your office?

**Jane MacAdam:** That's connected to the comments that we make in paragraphs 1.7

and 1.8. Really, the due diligence we're talking about there related to the financial support to the confederacy, as well as the MOU for the financial services centre.

We make a number of recommendations in those sections of the report to deal with that lack of due diligence. The recommendations are already here in the report.

**Chair:** Okay, Darlene Compton next, then Jordan Brown.

**Ms. Compton:** Thank you, Chair.

Back to 8.1 there you refer the committee to view Appendix D in relation to Treasury Board in compliance.

Those examples include loans and guarantees. Could you refresh our memories, because we are summarizing here in the end of this, and outline once again the non-compliance details as related to the loans, including the amounts of the loans and the signatures on those loans and the loan payment timelines?

**Jane MacAdam:** So the loans, we talk about the loan in –

**Ms. Compton:** In Appendix D?

**Jane MacAdam:** In Appendix D we have noted here the specific pieces of legislation and policies that were not complied with, is that what you –

**Ms. Compton:** Right, and you mention the loans so I'm just asking: Could you just refresh our memories?

**Jane MacAdam:** Loans and guarantees? Okay.

In paragraph 3.45 and 3.46 we talk about: "The Financial Administration Act (FAA) and Treasury Board policy for loans and guarantees, requires Treasury Board and Executive Council approval..." for guarantees and: "...neither Treasury Board, nor Executive Council approval was obtained for this guarantee."

**Ms. Compton:** The signature on those loans were the original \$950,000 was –

**Jane MacAdam:** The letter of offer, do you mean?

**Ms. Compton:** Letter of offer, yes, was –

**Jane MacAdam:** That was Norman MacDonald –

**Ms. Compton:** Norman MacDonald –

**Jane MacAdam:** – that signed the letter of offer.

**Ms. Compton:** Okay.

Were those the only loans that were identified by your audit as being in non-compliance or were there others, as well?

**Jane MacAdam:** That was the only loan that was issued.

**Ms. Compton:** But in general, when you were doing your investigation were there any other loans that came up that were in non-compliance? Or was that the only one you looked at?

**Jane MacAdam:** That was the only one that was involved with e-gaming –

**Ms. Compton:** Right, but through –

**Jane MacAdam:** – that was actually approved –

**Ms. Compton:** – but through the –

**Jane MacAdam:** – and then the funds were –

**Ms. Compton:** – loyalty card –

**Jane MacAdam:** – released.

**Ms. Compton:** – program and there was nothing else that came up (Indistinct)

Could you also advise the committee whether there were other loan guarantees outside of the loan to the confederacy that caused you concern in terms of non-compliance or their adherence to the *Financial Administration Act* other than that loan? Was there any non-compliance or – I mean, you have done quite a broad investigation here, and possibly other loans would have come into play.

**Jane MacAdam:** There were grants, but not loans.

**Ms. Compton:** Not loans, grants.

Was there non-compliance with the grants, as far as –

**Jane MacAdam:** Yes, there – we point that out in the report. There were issues around the grants.

**Chair:** Anything else, Darlene?

**Ms. Compton:** No, that's good.

**Chair:** Okay, Jordan Brown is next on my list.

**Mr. J. Brown:** Thank you very much, Chair.

Jane, I'm interested, paragraph 8.3 you had indicated that: "In the E-gaming file, there was a sense of enthusiasm and commitment by an elected official because of the opportunity to significantly increase tax revenues for the province."

We had previously also discussed Mike O'Brien's name here. Mike O'Brien, I know from being around to have been involved in the Earth Fund Lottery previous to this. I think it was back in the 19 – the late 1990s, as well and that, from my recollection, had similar issues in not getting off the ground.

Mike O'Brien, to my knowledge, was involved through McInnes Cooper. I'm wondering if you interviewed, or your office interviewed Mike O'Brien through the course of this?

**Jane MacAdam:** Yes, we did.

**Mr. J. Brown:** Did he – I guess, firstly, what role did he play in this scheme, overall?

**Jane MacAdam:** He was on the working group. I think we list the members of the working group. There was, in paragraph 3.13 there was: "...three representatives of a local law firm providing legal and other services: two lawyers and an accountant." He was the accountant.

**Mr. J. Brown:** Okay.



**Jane MacAdam:** He was a member of the working group.

**Mr. J. Brown:** Is he normally an employee or a partner in that law firm?

**Jane MacAdam:** Not to my knowledge. He's not a partner. He was employed by them at the time.

**Mr. J. Brown:** Okay. Was his employment solely related to this scheme?

**Jane MacAdam:** I can't say.

**Mr. J. Brown:** Do you know how he came to be involved in it?

**Jane MacAdam:** Through the information that we obtained because of his history with the lotteries commission and being a deputy minister in government he was seen to have knowledge around e-gaming issues.

**Mr. J. Brown:** Which government was he a deputy minister in?

**Jane MacAdam:** I don't have the exact dates, but he was deputy minister of finance at one point.

**Mr. J. Brown:** Would that have been during the Binns administration?

**Jane MacAdam:** I'm not sure. I know he was deputy minister of finance at one point.

**Mr. J. Brown:** Okay. Do you know, or did you discuss with him what the issues were with Earth Fund Lottery that prevented it from going forward?

**Jane MacAdam:** Yeah, that was discussed.

**Mr. J. Brown:** What did he say about that?

**Jane MacAdam:** At the time it was deemed to be not compliant with the Criminal Code of Canada. That's what the ruling was.

**Mr. J. Brown:** Did he say whether he had indicated those issues when he came to be back involved in this project?

**Jane MacAdam:** I know that he would have reviewed his involvement and his knowledge around that, but I can't recall specifically what he said.

**Mr. J. Brown:** Okay.

**Jane MacAdam:** Certainly, he had that history.

**Mr. J. Brown:** Right. I just find it very interesting that somebody who has been through this before comes to be employed in an organization that's saying we should go forward with this project, and he already has the knowledge from having gone through it once with the previous government, which I understand to have been the Binns administration. They quite clearly found out that it would not work and yet he's back here kicking the can again trying to get more out of it.

Did he address that in any kind of forthright way with you when he spoke with you guys?

**Jane MacAdam:** The confederacy had the legal opinion from Dickinson Wright. The Dickinson Wright report that said it was legal. That certainly factored into the decision to keep moving forward on it.

**Mr. J. Brown:** Okay. Do you know was Mike O'Brien instrumental in obtaining that legal opinion from Dickinson Wright?

**Jane MacAdam:** I can't say that he was or wasn't. I'm not sure.

**Mr. J. Brown:** Okay. Are you aware as to what his financial arrangements were with McInnes Cooper in relation to this scheme?

**Jane MacAdam:** I don't know. He was either – he was employed. I'm not sure if it was a contract or what arrangements he had. We were just concerned with his involvement on the working group.

**Mr. J. Brown:** Okay, thank you.

**Chair:** I just might add to that, Mr. Brown. Those are excellent questions. I think Mr. O'Brien's name has been brought up before with regards to bringing him in as a witness so –

**Mr. J. Brown:** I think we got pretty good answers, actually –

**Chair:** – so, I think – well –

**Mr. J. Brown:** –from the Auditor General.

**Chair:** – the Auditor General answered some of the questions, but there are some that she said that she didn't have the knowledge on. Maybe, again we have a motion at the end of this section to bring in Mr. O'Brien as a witness so we can ask him those very important questions, and others –

**Mr. J. Brown:** (Indistinct) motion. I think I got the answers I wanted.

**Ms. Compton:** As long as you're happy.

**Chair:** I didn't hear a lot of responses.

Anyway, Mr. Palmer is next on the list.

**Mr. Palmer:** Thank you, Chair.

I want to go to 8.3, as well. I'm going to read off the same part about: "...a sense of enthusiasm and commitment by an elected official because of the opportunity to significantly increase tax..."

Was that elected official, was that Wes Sheridan?

**Jane MacAdam:** Yes.

**Mr. Palmer:** Is it – is why we're here did some business or slick guy from Toronto come here and try to sell him a bag of magic beans and he thought it was a good idea and moved forward with it and it didn't matter where the rules were and kind of wiggled around them all? Is that kind of where we're landing here?

**Jane MacAdam:** I never said that.

**Mr. Palmer:** No. I know you didn't say that, but isn't that the kind of – it seems to me that's what's happening, is that he was excited – which I didn't know who it was, but I thought it might have been Wes, so the minister of finance, and he kind of went through as well with – wasn't that a Treasury Board piece that he back-stopped it from the Department of Finance? Weren't some of those rules that he wiggled around a little bit to try to make this thing happen?

**Jane MacAdam:** Well –

**Mr. Palmer:** Was the \$950,000 loan, wasn't that guaranteed? Didn't he say it was

guaranteed by the Department of Finance to IIDI?

**Jane MacAdam:** He signed the guarantee letter.

**Mr. Palmer:** Which he shouldn't have? Is that what your recommendation was, is that we need to change the rule so that he can't do – someone in that position can't do that kind of stuff?

**Chair:** I don't think she –

**Jane MacAdam:** No, the rules were already there.

**Chair:** They were there already.

**Jane MacAdam:** The rules were there –

**Chair:** He contravened the rules.

**Mr. Palmer:** Right, okay.

**Jane MacAdam:** The rules were there.

**Mr. Palmer:** Yeah.

**Leader of the Opposition:** He didn't follow them.

**Mr. Palmer:** Then we have that first part, and then it seemed like then the system kind of took over and realized that we can't do the financial services piece because it was, I think, in opposition to the law, wasn't it? Didn't we get a report on that that said that the financial services, that won't work? Is that the –

**Jane MacAdam:** You're talking about the Financial Services Platform?

**Mr. Palmer:** Yes.

**Jane MacAdam:** No. The MOU expired and there was no arrangement – there was no agreement signed with any business. The MOU expired.

**Mr. Palmer:** Did it expire – did government not continue with it because they had a legal opinion from someone that said that: This won't work, the jurisdiction isn't there.

**Jane MacAdam:** There was a legal opinion with the e-gaming initiative –

**Mr. Palmer:** Yes.

**Jane MacAdam:** – from an Aboriginal law expert.

**Mr. Palmer:** Okay.

**Jane MacAdam:** That was the e-gaming piece.

**Mr. Palmer:** Okay. Then when that didn't work, that same company – did they change their name? Or they went from Trinity Bay Technologies to something else? Did they change their name and then kind of try to come back in after the province again and try to pick up some more, thinking there's an opportunity around the loyalty card? The same organization was trying to help us with e-gaming, and now all of a sudden was doing a loyalty card?

**Jane MacAdam:** Yeah –

**Mr. Palmer:** Wow.

**Jane MacAdam:** – there were some connections between the companies –

**Mr. Palmer:** Okay.

**Jane MacAdam:** – that were trying to work with government to establish the loyalty card program. They were involved as well with e-gaming. Simplex prepared a transactions platform report for the e-gaming committee –

**Mr. Palmer:** Okay, yes.

**Jane MacAdam:** – and Simplex and CMT were involved in doing work on the loyalty card program.

**Mr. Palmer:** Can you remind me, again: What were the connections between those organizations? Wasn't there a shared – or same ownership? Or was it the same company just changing its name?

**Jane MacAdam:** No. You're thinking of Trinity Bay Technologies and the numbered company.

**Mr. Palmer:** Oh right, yeah.

**Jane MacAdam:** They were the same name.

**Mr. Palmer:** Okay. I think I'm good.

**Chair:** Thank you.

Next I have Jamie Fox on the list.

**Leader of the Opposition:** Thank you, Chair.

Jane, in section 8.2 you say: Due diligence was not exercised by senior officials prior to entering into arrangements with third parties. What senior officials are you referring to there and who were the third parties?

**Jane MacAdam:** Again, it's over in paragraphs 1.7 and 1.8 is where we summarize it.

**Leader of the Opposition:** Well, it's the same –

**Jane MacAdam:** It's the same – it's the due diligence for the MOU –

**Leader of the Opposition:** Yes.

**Jane MacAdam:** – and it's the diligence was not exercised in – if you go to paragraph 1.7: Due diligence was not applied by various senior officials and staff in approving, disbursing, monitoring, and reporting on loans and grants provided to the confederacy. That's one part of the due diligence.

The other part is in 1.8: "Adequate due diligence was not exercised by senior government officials in the approval and extension of the MOU for the financial services platform."

**Leader of the Opposition:** So there was nobody new that hasn't been already –

**Jane MacAdam:** No, this is just a summary of the issues that were previously presented in the report and that we have previously discussed. It's just bringing them all together and providing support for the recommendations that are in this section.

**Leader of the Opposition:** Okay. Jane, do you feel that the lack of due diligence was simply a matter of sloppy management practices, or was it just a lack of due diligence as deliberate?

**Jane MacAdam:** Well, we don't necessarily look to see whether it was deliberate or not. We just noted that there was a lack of due diligence. We're pointing out the facts in the report.

**Leader of the Opposition:** But you must have an opinion on that.

**Jane MacAdam:** I stand by the facts that are in the report. We point out all of the examples where there was a lack of due diligence.

**Leader of the Opposition:** One more, Chair.

**Chair:** Okay, Mr. Fox.

**Leader of the Opposition:** Back to section 8.2 there. You also state that: Treasury Board policies on contract were not followed in acquiring services for the loyalty card program. Can you tell me exactly what policies were not followed?

**Jane MacAdam:** Okay. If you go over to section four is where we talk about the loyalty card program. In 4.1 we summarize, we say: "The major issue noted with the loyalty card program was a general disregard for Treasury Board policy on contracting. Competitive processes were not used and services were not documented in contracts." Those are two important elements of contracting that were not followed for the loyalty card program.

**Leader of the Opposition:** Thank you.

**Chair:** Anything else, Mr. Fox?

**Leader of the Opposition:** No.

**Chair:** Darlene Currie – Compton. Sorry.

**An Hon. Member:** Currie?

**Chair:** I'm thinking of a previous co-worker.

**Ms. Compton:** All right. Thank you, Chair.

Continuing on 8.2 there you say, in fact – throughout your work you noted widespread disregard for Treasury Board policies relating to contracting. With that, what

specific policies for Treasury Board were not followed?

**Jane MacAdam:** In Appendix D, again, we list all of the policies. There is a policy there, it's called: Contract services conditional grants and funding agreements. That was the policy. That was the Treasury Board policy.

**Ms. Compton:** Were there other areas other than the loyalty card program and the e-gaming project that you found widespread disregard and non-compliance?

**Jane MacAdam:** Yes. In paragraph 6.24, for example, we talk about post-employment contracts and we previously discussed these. At the end of paragraph 6.24 we say: "All three contracts were quite broadly worded in terms of scope of work. A competitive process was not used to award the contracts which was in contravention of Treasury Board policy on contracting."

**Ms. Compton:** I appreciate that (Indistinct)

–

**Jane MacAdam:** Yeah, so that's just another example outside the loyalty card program and the e-gaming.

**Ms. Compton:** Okay.

**Chair:** I just have a quick question before I move onto the next person on the list, who is Jamie Fox. In 8.3, and Mr. Palmer brought it up with regards to the previous minister of finance who seemed to be very enthusiastic over this scheme, as Mr. Brown so eloquently described it.

During your audit, did you at any time see a business plan attached to this scheme related to this \$950,000 loan? I would think that at the very least, at the very least, a minister of finance would want to see a business plan before he signed, personally signed, a letter guaranteeing a \$950,000 loan.

**Jane MacAdam:** We talk in 3.48 that the letter of offer contained a proposed project budget which listed 13 deliverables, each with a corresponding timeline and estimated cost. There was a project budget there, and there was a plan –

**Barbara Waite:** (Indistinct)

**Jane MacAdam:** If you look at the timeline on page 13, it says on October 6<sup>th</sup> a Business Plan on E-gaming was prepared by the local law firm and submitted to IIDI for loan funding.

**Chair:** So it was essentially a budget? It wasn't a detailed business plan.

**Barbara Waite:** (Indistinct)

**Chair:** When we're investing at least – well, of we know now, well over \$1 million of taxpayers' money.

**Jane MacAdam:** There was more than just a budget. There were some other elements in it.

**Barbara Waite:** (Indistinct)

**Jane MacAdam:** Right. It talked about the need for a regulatory commission and a Crown corporation or some kind of a Crown entity so it did have some background information, similar to what we had put in the background section of the e-gaming.

**Chair:** Thank you.

Jamie Fox.

**Leader of the Opposition:** Thanks, Chair.

Jane, you have a (Indistinct), a vast knowledge in ordinary government operations. I'd almost say that you're an expert in the field.

Can you explain to me –

**Mr. J. Brown:** (Indistinct) almost an expert?

**Leader of the Opposition:** – how that the loyalty card program could ever be viewed as a venture within normal government operations?

**Jane MacAdam:** If we go to that section of the report, it was a concept, we say here in the background: It was a concept where tourists would use a specialized customer card at participating businesses, and the department of tourism would use it to track visitation and people could accumulate awards. It was sort of like a rewards program, but in the process of giving out

rewards you're tracking consumers' behaviours, and that is important information. It could be useful information in terms of the tourism industry. That was the concept that was being considered.

**Leader of the Opposition:** Would you anticipate any government would become involved in such a scheme? Could you ever anticipate that would happen in the future, or continue?

**Jane MacAdam:** That would be a policy decision of government, whether they decide to move forward with a loyalty card program. I think, as with anything, they would look at the cost and the benefits of such an initiative and make a decision.

Our issue here with the loyalty card program was not whether or not a loyalty card program should be established. Our issue was whether or not the Treasury Board policies on contracting were followed and whether or not there were appropriate internal controls over invoices that were submitted for payment and things like that. That's the issue that we had.

**Leader of the Opposition:** Do you have any concern in future Treasury Board policy breaches?

**Jane MacAdam:** I mean there is always a possibility of breaches of policies. We find lots of examples. We make recommendations. We follow up to see whether or not the recommendations are implemented and we report back.

**Leader of the Opposition:** Thank you.

**Jane MacAdam:** But, it's important to have policies so that there is a good understanding of the standard that government expects.

**Chair:** I think it's fair, as well, to state that it's pretty hard for the Auditor General to look into the future and to be, essentially, a fortune teller. At the same time, since the reports out of the Auditor General's office have been coming since 2007 it does seem to be a recurring theme.

Again, through our discussions here, our meeting with the Auditor General, this detailed report and the recommendations

that we're going to come together and put forward to government, hopefully, we'll not see these kinds of things happening, reoccur in the future. I just wanted to add that in.

Is there anything else, Mr. Fox?

**Leader of the Opposition:** One further question. In 8.3 you said that, "The project operated outside the regular control framework of government..."

Can you elaborate on that? I almost have to wonder was there like a secret organization over here that just will use government to whatever we want to do, we won't tell them what's going on? Blatantly –

**Jane MacAdam:** That's the issue around the local law firm and the fact that we conclude that this was a government project and it operated outside the regular control framework of government. There was no agreement signed that outlined rules and responsibilities; provisions around conflict of interest; confidentiality and access to information.

As Auditor General, I couldn't even access important information on a government project, which is an important issue to consider. That's why we make the recommendation in 3.24.

**Chair:** Is there anything else, Jamie?

**Leader of the Opposition:** No.

**Chair:** Darlene Compton, and next I have Chris Palmer on the list.

**Ms. Compton:** Thank you, Chair.

Again, in 8.3 we talk – someone brought up the enthusiasm for this project, which we know came from the minister. You say that, I guess, directly relating to that enthusiasm that taxpayers' interests were not adequately protected.

Who stood to gain the most from the loyalty card project? Island taxpayers or senior officials that were involved?

**Jane MacAdam:** I'm always assuming that if government has a program or a project that they would have considered the costs and benefits to government, and would not

proceed with a program without weighing those costs and benefits.

We don't comment on who would have benefitted the most. If it's a government program then government has made a policy decision that it's an important program.

**Ms. Compton:** We know because of this enthusiasm that the rules were not followed. That was part of the reason. It was like a get-it-while-it's-hot type of mentality.

We do know there were a lot of senior officials involved in this. Would the officials involved in the e-gaming file stand to have gained personally had the project gone forward as planned? I think that's an important aspect of this whole report is how much were they going to gain versus how much the taxpayers were going to gain?

**Jane MacAdam:** I can't speculate on that. In that paragraph 8.3 where there was an opportunity to significantly increase tax revenues we talk about, earlier in the report, I think it's \$20 million – in paragraph 2.9, the, "...initiative was expected to raise over \$20 million in tax and licensing revenues annually..." to the province. So –

**Ms. Compton:** We're well aware that the key players in this were investors, too, and it was pushed by a deputy, who had a conflict. It was a get-it-while-it's-hot scheme. At one point they talked about a 510% return on our money. Well, as anyone involved in government I'd be very concerned about a scheme that would – I'm just saying in your investigation, did you look at how much government or the province was going to gain versus how much the key players were going to gain?

**Jane MacAdam:** As part of our work we look at compliance with existing policies. We looked at the conflict of interest policies and we did have some concerns with apparent conflicts. I think that addresses some of what you're mentioning.

**Ms. Compton:** We know that that was part of the deal; that these key players were going to gain just as much or more than the province would gain.

**Jane MacAdam:** We do point out there were apparent conflicts of interest with a former deputy and a former chief of staff.

**Ms. Compton:** Okay.

**Chair:** Chris Palmer is next on my list, then Kathleen Casey.

**Mr. Palmer:** Thank you, Chair.

Now, back to 8.3 when we talked about, as Jamie had mentioned, outside regular – let me see, “The project operated outside the regular control framework...”

I believe that you had reported earlier that that happened because the organization that was here trying to peddle this convinced Wes that we needed to have first-mover advantage so that nobody else could steal this idea and go out and be the regulator of gaming.

Was that – is that fair? Is that something that you had reported earlier about there was a lot of talk around first-mover advantage, which means being the first place to do it and not let anyone else know about the opportunity?

**Jane MacAdam:** We mention that in the background.

**Mr. Palmer:** Yeah.

**Jane MacAdam:** It was mentioned to us that first-mover advantage was seen as one factor to consider. We talk about it in paragraph 3.3.

**Ms. Compton:** (Indistinct) scheme.

**Jane MacAdam:** But –

**Mr. Palmer:** Yeah.

**Jane MacAdam:** – we just note it here for information purposes.

**Mr. Palmer:** Yeah. Part of that, the company came and convinced Wes that that’s what should do and Wes said: Oh yeah, that’s great. Then created another or had their meetings outside of the normal framework because they convinced Wes not to have this as part of the regular controls because then it would be reported and then

other jurisdictions could capitalize on that potential opportunity?

**Jane MacAdam:** When we talk about it operated outside the normal control framework we’re talking about project management.

**Mr. Palmer:** Yeah.

**Jane MacAdam:** Project management services that were conducted by McInnes Cooper. That’s what we’re talking about.

**Mr. Palmer:** I don’t know what you mean. They didn’t follow proper project management protocol?

**Jane MacAdam:** No. We summarize it in paragraph 3.16.

**Mr. Palmer:** Okay.

**Jane MacAdam:** We concluded that the law firm provided project management services on the e-gaming initiative.

**Mr. Palmer:** Yeah.

**Jane MacAdam:** “Other former elected and senior officials advised that the local law firm was assisting government... We concluded that the law firm was providing project management services not only to...” the confederacy, “...but also to government.”

If they’re providing project management services on a government project, I think it would be fair to say that we should have access to that information. There should have been an agreement with both the confederacy and the law firm to ensure that roles and responsibilities are clearly outlined, confidentiality considerations are dealt with, conflict of interest and access to information, and that didn’t happen.

**Mr. Palmer:** Okay.

**Jane MacAdam:** And because that didn’t happen, we – the law firm wouldn’t meet with us, and we were prevented from getting information, important information, about this project, about the e-gaming project.

**Mr. Palmer:** You’ve made recommendations around all of those to kind

of tighten that process up in the future, correct?

**Jane MacAdam:** Yeah. We made a recommendation in paragraph 3.24.

**Mr. Palmer:** Oh yes, okay. That's good. Thanks, Chair.

**Chair:** Thank you.

Kathleen Casey is next on the list.

**Ms. Casey:** Thank you, Mr. Chair.

Mr. Chair, I know we're coming – we're on the last section here and we're coming to a close on this discussion on this report. I'd like to thank the Auditor General for her input on this, and also for the recommendations that she made.

I do know that most, the majority of these recommendations have been – are now being implemented. I do – noted earlier in the meeting, the Auditor General indicated that it's not like the recommendations are not being followed right down – we're kind of on the last set of recommendations here, and government should consider adopting whistleblower legislation.

I know the Leader of the Opposition asked a question in November to the Premier about this actual whistleblower legislation, or this whistleblower policy and I know the Premier has indicated that he will be taking whistleblower legislation to the spring session.

We're hearing loud and clear the recommendations of the Auditor General, and we take very seriously her recommendations and I do know she has a statutory obligation to finish her report to the Legislature for March 15<sup>th</sup>. We still have to go through the 2016 report, also the ALC report. I know it's going to be a busy few weeks for the Auditor General and her team and this committee. I know we're getting close to the end. We're almost there as we're discussing the very last recommendations in section, recommendation 8.9 to 8.10.

I'd just like to thank the Auditor General. We're hearing the recommendations loud and clear in government. The majority of

them have been implemented, and we take very seriously her final recommendation, considering adoption of whistleblower legislation. The Premier indicated in response to a question to the Leader of the Opposition that he would be bringing legislation forward in the spring session.

Thank you.

**Chair:** Thank you, Ms. Casey –

**Leader of the Opposition:** Can I respond to that?

**Chair:** Go ahead, quickly.

**Leader of the Opposition:** If the government was taking this seriously, then people who are in places of responsibility now that were involved in this would not be there.

Thank you.

**Chair:** I actually have you next on the list for questions, but I just have a couple of quick things here, as well.

I just want to go back to the questions I was asking earlier with regards to a business plan or details around documents referenced and the timelines and things like that for the loan. This document that was put together, business plan or whatever you want to call it.

**Jane MacAdam:** Yeah.

**Chair:** Who was that signed by? It had to be prepared by someone and signed-off before it went to the minister.

**Jane MacAdam:** We say here it was prepared by the local law firm and it was submitted to IIDI for funding. I'm not sure who signed it.

**Chair:** Okay.

**Jane MacAdam:** I could bring that back, if you'd like (Indistinct)

**Chair:** If you could that would be great.

On comment to Ms. Casey with regards to the whistleblower legislation: I know we're all looking forward to that and to look at it



and to see how detailed in it and to see if it also covers off previous cabinet ministers, perhaps, would be protected under that.

Next on the list would be Jamie Fox.

**Ms. Compton:** Can I just make a comment on that (Indistinct)

**Chair:** Quickly.

**Ms. Compton:** About the whistleblower legislation; that was part of our election platform two years ago, and Mr. MacLauchlan was opposed to it at that time. I guess he realizes what a mess he took over here and realizes how important whistleblower legislation is, so I'm quite happy to hear he's going to bring it forward in the House.

**Chair:** Jamie Fox.

**Leader of the Opposition:** Thank you, Chair.

Section 8.4, Jane, you said that eight months prior to the loan that the Legislative Counsel Office raised concerns with senior justice officials, department of justice officials.

Who, in the Legislative Counsel Office, raised these concerns with who in the department of justice?

**Jane MacAdam:** It would have been Shawn Flynn in the Legislative Counsel Office and they were raised to Barry Grandy; at the time I think he was acting Attorney General.

**Leader of the Opposition:** Barry Grandy was what? The (Indistinct)

**Jane MacAdam:** At one point he was in an acting role. Shauna Sullivan-Curley was deputy, but she was on leave for a period of time.

**Leader of the Opposition:** Yeah.

**Jane MacAdam:** She was on leave during that time.

**Leader of the Opposition:** Did you interview these two individuals?

**Jane MacAdam:** Shawn Flynn? Yes.

**Leader of the Opposition:** Did you interview Barry?

**Jane MacAdam:** We interviewed Shauna.

**Leader of the Opposition:** Why wouldn't you interview Barry?

**Jane MacAdam:** He's no longer – he was no longer with government at the time, but we interviewed Shauna instead because she was the Ethics and Integrity Commissioner and she had full knowledge of what had happened in her department.

**Leader of the Opposition:** Did the department of justice take any action or do anything with regards to what was brought forward to them by the Legislative Counsel Office?

**Jane MacAdam:** As we mentioned earlier in the report this is the issue around there was no agreement with third parties outlining confidentiality, conflict of interest. An agreement was never signed. It wasn't put in writing.

These were issues that were raised, the importance of putting things in writing; the importance of ensuring that taxpayers' interests were protected; where there are multiple people involved in an initiative. These – there was no agreement signed so these issues were brought forward, but nothing happened.

**Leader of the Opposition:** With that, Chair. The concerns that the Legislative Counsel raised with Barry Grandy acting in the department of justice, these concerns, can you tell us if any of these concerns were in reference to laws that were broken within the Criminal Code of Canada?

**Jane MacAdam:** These concerns here were about the importance of having a clear understanding between the various parties with regards to the e-gaming initiative; the relationships between the law firm, the confederacy, and the province.

It was more to have clarity around rules and responsibilities, to ensure that taxpayers' interests were protected.

**Leader of the Opposition:** Okay. When these concerns were brought from one

department to the department of justice were any of these concerns brought to the premier of the day, or to Chris LeClair or to Geoff Townsend or to the former minister?

**Jane MacAdam:** Not to my knowledge.

**Chair:** Anything else, Jamie?

**Leader of the Opposition:** No, that's fine.

**Chair:** Darlene Compton and then Kathleen Casey.

**Ms. Compton:** The –

**Jane MacAdam:** Excuse me, I just wanted to correct something. We didn't interview Shawn Flynn; we interviewed Sherry Gillis in the Legislative Counsel Office.

**Mr. Palmer:** You can have my copy of the list of people interviewed if you need that.

**Chair:** Okay, Darlene Compton.

**Ms. Compton:** You're not aware of these concerns being brought to the premier?

**Jane MacAdam:** No.

**Ms. Compton:** Or to anyone else, really?

**Jane MacAdam:** They were brought to the Department of Justice. They were also raised with the minister of finance, the former minister of finance.

**Ms. Compton:** The concerns that were brought to the former minister of finance, would that have been around the same time that crucial emails and documentation disappeared, when those concerns were raised? Would it be about the same time that the emails were erased, deleted, and all of the documentation disappeared?

**Jane MacAdam:** I don't necessarily think there was a correlation. The email accounts that were deleted were when the people left government. I'm just trying to –

**Barbara Waite:** (Indistinct)

**Jane MacAdam:** Some of it was in October of 2011 and in 2012 and 2013, is when these various other individuals would have left

their positions, so no. It's not necessarily the same time.

**Ms. Compton:** It's just a question I ask because it's not just emails. Everything disappeared. I would just like to get the timeframe down.

**Jane MacAdam:** Can I clarify something?

**Ms. Compton:** Sure, yeah.

**Jane MacAdam:** We did do a telephone interview with Shawn Flynn and his name is probably on that list so –

**Barbara Waite:** (Indistinct)

**Jane MacAdam:** I just wanted to clarify that.

**Leader of the Opposition:** Say it again then.

**Jane MacAdam:** We did a telephone interview with him, Shawn Flynn. He had retired at the time, so the current – the person that was in the legislative counsel office when we were doing our work was Sherry Gillis, but we were able to do a telephone interview with Shawn Flynn so you may see his name there as well. I just wanted to clarify that.

**Chair:** Anything else?

**Ms. Compton:** Yeah, I have one more. The concerns over this file were raised more than eight months before the loan to the Mi'kmaq Confederacy – before that loan was approved by IIDI. So the senior officials had knowledge of concerns by both government departments, one of which was the Department of Justice. Yet, they continued to ignore those concerns. Would it be normal practice for government officials to ignore those concerns?

**Jane MacAdam:** Well –

**Ms. Compton:** It was eight months before the loan was approved.

**Jane MacAdam:** We're just pointing out the facts here. I don't know if you could say it's normal for them to be ignored. Obviously they had the information and they didn't act on it because they did not – there

was no agreement documented to deal with these issues that were raised.

**Ms. Compton:** Okay.

**Chair:** Next is Kathleen Casey.

**Ms. Casey:** Thank you, Mr. Chair.

I'm just following up again on the question that was asked by the Leader of the Opposition. I indicated that the Premier made a commitment to introduce legislation in the spring and I know the hon. Member from Belfast-Murray River indicated that it was in their election platform to introduce whistleblower legislation and I have some more feedback on that.

I would like to just read into the record the Premier's response to the Leader of the Opposition's question raised on whistleblower legislation and I quote: Mr. Speaker, we indicated in our election platform in our throne speech of June 2015 within a month of our election we would be introducing whistleblower policy, which was done in November of 2015, and that steps have been taken to work with public service to implement that policy to encourage them to follow it and feel that they are protected and that they are being encouraged, as we have said on many occasions, to speak truth to power, and that's exactly what we did. Now that we've got the advice from the Auditor General, and as I've said on the day the Auditor General's report came down, that we will be implementing legislation and bringing that forward in the spring session of the Legislature.

Government is – end quote, sorry. Government is hearing loud and clear and the recommendation from the Auditor General and hopefully we all look forward to seeing whistleblower legislation in the spring session.

**Chair:** Thanks, Ms. Casey.

Jordan Brown is next on my list.

**Mr. J. Brown:** Thank you very much, Chair.

Jane, we have talked about Mr. Maines' involvement to some degree throughout the

report and particularly we went through – you said 2.2 on page six which is the grouping of companies that kind of he was, I'm going to say, a figurehead in relation to which I would say noting that at least one of the companies was a publicly-traded company and some of the others kind of changed as things evolved, I guess I would say.

Certainly, Chris had used the expression that there was an individual that came and sold a bag of beans and I'm not going to get into that necessarily, but what's dawned on me out of all of this in terms of the recommendations is we have recommendations internal to government and you note at paragraph 8.3 that we had a minister of finance who was overly enthusiastic about this project and I would note, too, and I think it is worth noting that he would have been early in his going at the time that he would have gotten into this initially.

It has dawned on me, or nagged at me, and particularly in the context of Mr. Maines and his group initiating or looking to be initiating a lawsuit against government that there was that side. There's a government side in terms of the responsibility, but it looks to me like he or his group was able to take advantage of a host of factors to be able to move from one piece to the next to set something up that would suit government and basically look to take advantage for their own personal gain of those.

I'm wondering if you had turned your mind to that and given any thought as to whether there's anything at all that could be done to protect government, particularly in a small province from – I don't know what you want to call them – aggressive business people that would proactively look to come and to sell something, effectively, to government whether there was something to be there to be sold or not.

**Jane MacAdam:** We did make a recommendation in 5.17, for example, when we were talking about the MOU. Due diligence – Innovation PEI should perform adequate due diligence prior to entering into commitments or agreements with external parties. We have noted that, again, with the loyalty card program that there was not adequate due diligence on the companies,

and we talk in the report what basic due diligence would include.

We say: “Basic due diligence on a company would include gaining an understanding of the ownership structure, obtaining financial statements, and reviewing the corporate history.” In this case, they did not do that and we have a recommendation around that. Yes, it was an issue that we did see when we were doing our work. There were a couple of cases where adequate due diligence was not done on the companies.

In the case of the MOU, government officials indicated that they were of the understanding that due diligence was done as part of the e-gaming initiative, but they did not examine any documentary – any documents around the results of any due diligence that was conducted. We know from examining the invoices that were provided to draw down the loan funds that due diligence is referenced in there as something that the law firm did, but we couldn’t obtain a copy of that, for example. That’s just another issue around this whole due diligence.

We have reason to believe, based on the invoices, that the law firm did some due diligence, but we don’t know to what extent that due diligence was conducted and we couldn’t obtain any reports on due diligence on either Simplex or CMT.

**Mr. J. Brown:** It’s interesting and that had dawned on me as well and you look at the situation that kind of as it came together, you have a law firm that has hired, I guess, Mike O’Brien who is a former deputy minister that led a similar push to put this kind of a program in place and it was ultimately shut down by government at the time and he was deputy minister, I believe, of finance back at that time and would have had the knowledge as to how to work things through Treasury Board and work things through Executive Council and do all those kinds of things.

He’s here on the law firm’s – I forget what you were calling it, but there was a group –

**Chair:** Working group.

**Mr. J. Brown:** – that was meeting, a working group, that’s directing how these

things are being done, and even providing briefing notes to the minister on them and opinions as to how to circumvent Treasury Board and Executive Council and all that kind of stuff.

That’s one thing that kind of stuck out to me as – and I know you have made recommendations in relation to cooling-off periods and all that kind of thing. Certainly, I would appreciate that.

I’m interested in a couple of things. If paying specific heed to that, if you think there are any more or more specific recommendations coming out of that. As a second, and follow up: Did you folks ask the question or were you aware of any link between Paul Maines’ group and the working group, I guess I’m going to call it, at McInnes Cooper? Were the two of them connected?

**Jane MacAdam:** Between CMT and McInnes Cooper or CMT and Simplex?

**Mr. J. Brown:** More specifically, what I’m looking at is that to me it looks like there are a number of things that, I forget whether it was Jamie or whether it was Chris that had said: Eventually government’s procedures kicked in and that’s what drew a halt to this. We know that that can be pinpointed down to Shauna Sullivan-Curley getting the legal opinion that says: No, this is not going to work.

We already had Mike O’Brien, who had a similar legal opinion years back in the previous administration, that said the same thing. Presumably, he had a legal opinion, but one way or another we know that the Earth Fund Lottery contravened the provisions of the Criminal Code of Canada. He knew that already going in.

He’s in the working group. The working group is providing advice to government and the Mi’kmaq Confederacy and at the same time Paul Maines’ group is tailoring up, whether it’s a business plan or a series of proposals –

**Leader of the Opposition:** Scheme.

**Mr. J. Brown:** The word scheme when I was using it was related to a legislative piece in the e-gaming part, which is actually called

a scheme, but aside from that the e-gaming business plan, if we want to call it that looks to have been put together by an individual looking to take advantage of government and an individual that you could probably say the same thing about the enthusiasm for that project given they've been through it once and they're back at it again trying to make the same project they already knew wouldn't work the first time go a second time.

I'm wondering if you kind of turned your mind to that constellation of factors and whether there's anything we could do to prevent that sort of a thing from happening again?

It just strikes me that we have about – we're really on our third degree of separation by the time we get to Paul Maines, and in between there's the working group that's kind of tying everything together and providing advice to everybody. It strikes me that that's a pretty cozy relationship for Paul Maines. It's a pretty cozy relationship for the folks in the working group. It ultimately probably was the reason we got so far down the road in terms of this scheme, if we want to call it that, that had already been undertaken once being undertaken again a second time.

I'm wondering if you had any thoughts on that, in addition to kind of what we have discussed already?

**Jane MacAdam:** One of the things we mentioned earlier is that there was another legal opinion that the confederacy did obtain and was shared with the working group.

Again, that operated outside the regular control framework of government, and that's problematic. That whole – this was a government project and the fact that the records and minutes and project management files were not accessible to the Auditor General's office, that's not normal for sure. It's very concerning.

If we had more information and more access maybe we would know more than we do now, but it was a problem. The fact that it's a government project and operated outside of the control framework, it's not – normally, for government projects information about government projects is

accessible to government and it's accessible to the Auditor General.

There is a whole combination of things I think that are connected to the issues that you've raised. Even with the working group, we noted that the former chief of staff introduced these companies to the e-gaming working group. We comment that there was an apparent conflict with the former chief of staff.

It's difficult to isolate it to any one thing. It's a combination of things, and we've pointed that out in the report. There are apparent conflicts. There are – this issue with the law firm operating outside the control framework. There are agreements that are not in place. There are a number of factors that all contributed to the situation that we present in our report really.

**Mr. J. Brown:** (Indistinct)

**Chair:** Yeah, sure. Go ahead, Jordan.

**Mr. J. Brown:** The Dickinson Wright legal opinion, I just want to kind of follow back on that. Was that given to the Mi'kmaq Confederacy or the working group or one of Paul Maines' companies or –

**Jane MacAdam:** Well –

**Mr. J. Brown:** – who had that?

**Jane MacAdam:** That was given to the confederacy. The confederacy got that through one of the grants that they obtained from government. They used the grant funds to get the legal opinion, the Dickinson Wright legal opinion. It was shared with the working group.

**Mr. J. Brown:** I just want to – preface this, this being my profession, knowing kind of what legal opinions typically look like and how they work.

Was there ever a reconciliation of the – and I can't remember the name of the later gentleman I think it was that you had said that had given an opinion to Shauna Sullivan-Curley's department at the time saying –

**Jane MacAdam:** Tom Isaac?

**Mr. J. Brown:** Tom Isaac –

**Chair:** Tom Isaac.

**Mr. J. Brown:** – this wouldn't work and then we have the Dickinson Wright one saying that it would work and presumably we have the former one that would have went to Mike O'Brien and the minister of finance at that time with Earth Fund Lottery saying that it wouldn't work back at that time.

Was there ever a reconciliation of them done? Did your office have anybody look at them to say one way or another?

**Jane MacAdam:** We didn't conclude from a legal perspective whether we agreed or disagreed with any of those opinions.

The Dickinson Wright was on plan A. The Dickinson Wright was just plan A. That was, plan A was just getting provinces to agree and sign on within Canada. The Tom Isaac opinion was on plan B. There are – they're not all apples to apples, so to speak.

**Mr. J. Brown:** Right.

**Jane MacAdam:** It was just a – it was a process that evolved over a period of time.

**Mr. J. Brown:** Do we know how much money McInnes Cooper spent on the plan B after that or the government spent with McInnes Cooper or the Mi'kmaq Confederacy spent with McInnes Cooper?

**Jane MacAdam:** We have that here. There was from February 2012 to when they stopped work – we're just trying to find –

**Mr. J. Brown:** Is there – on page 18 there's Exhibit 3.3 there's a list of grants and loans. Is it in that?

**Jane MacAdam:** We don't have a clear cut date when they – it wasn't like plan A stopped and then plan B started. It's not easy to divide it up.

We do know that the working group continued to meet after February of 2012 when government got the legal opinion from the Aboriginal law expert. I'm just not sure how much costs were incurred from February 2012 to when they stopped

meeting. I don't have a clear division between plan A and plan B.

**Mr. J. Brown:** Thank you.

**Chair:** Just before I get back into the list, which right now I have Jamie and then Chris on it, Jane, you just talked a lot about due diligence and McInnes Cooper and whether you were privy to the information they provided or not, but you had assumed that they did do due diligence.

We had asked back some time ago for some information that you responded to and it referenced back, I think it was Exhibit 5.1: Copy of memorandum of understanding between the Innovation PEI 7645686 Canada regarding the establishment of the Financial Services Platform, and then followed by 3.54: Information that lawyer Barbara Stevenson provided to government related to e-gaming.

There were payments made to Ms. Stevenson from the PEI Lotteries Commission in the amount of \$10,400 and the Department of Finance in the amount of \$2,400; but you state here her involvement was during the period of March 2010 to August 2010 and she didn't produce any written opinions. But yet, she was paid close to \$13,000 so you're going on the assumption that McInnes Cooper did their due diligence, but you haven't been provided with anything that shows that when we already see another lawyer that did work and essentially got paid but didn't provide anything.

I'm just wondering how you can go on the assumption that McInnes Cooper did the due diligence and provided that in writing.

**Jane MacAdam:** The due diligence that I'm talking about was with the working group –

**Chair:** Yes.

**Jane MacAdam:** – and it was based on invoices that were received by IIDI to draw down the loan funds so there's a reference as to what the money was spent on and there's a reference on those invoices that said due diligence on CMT and Simplex. That's all I'm going on for that part of it.

**Chair:** You just saw an invoice that said –

**Jane MacAdam:** Saw an invoice –

**Chair:** – we did do it, but –

**Jane MacAdam:** Right. I saw an invoice –

**Chair:** – if we go back to another AG's report in recent years that have some of these same players involved, particularly around the tourism department, where contracts were being paid with absolutely no work being done. Contracts were being paid with no contracts even in place.

I guess my antennas are automatically going up that: Are we seeing the same kind of stuff happening here again? Taxpayers' money is just going out the door for the sake of going out the door and rewarding someone with no actual work being conducted.

**Jane MacAdam:** We do highlight instances where Treasury Board policy is not being followed, and clearly with the loyalty card program there were no documented contracts for the work that was initiated and there were no competitive processes so (Indistinct)

**Chair:** I would think as the province Auditor General that would raise serious alarms to you.

**Jane MacAdam:** Right, and that's why it's in the report and it's summarized again in the last section. We highlight all of the examples of issues around contracting. Yes, it has raised alarms and it's in the report.

**Chair:** Okay. There has been a lot of talk, questions raised here this morning with regards to relationships with the former finance minister and this individual, the bean salesman I think he was referred to, that came down here from Toronto. I do want to ask a couple of questions with regards to some relationships there and I just want to advise the vice chair in advance that I am going to ask questions with regards to Paul Jenkins and Garth Jenkins.

**Mr. J. Brown:** I have nothing to do with Paul Jenkins so we're all right on that point.

**Chair:** All right, well –

**Mr. J. Brown:** So –

**Chair:** But with Garth Jenkins as well, I'm going to be asking some questions with regards to the relationships and involvement in this.

**Mr. J. Brown:** Can we hive off the Garth Jenkins ones until the end of your questions so I can participate in the rest of them and then go and come back?

**Chair:** Well, essentially that's my question that I have right now.

**Mr. J. Brown:** Okay, are they Paul Jenkins ones and Garth Jenkins ones separate or –

**Chair:** They are connected.

**Mr. J. Brown:** Okay. All right, so I'm going to go for now.

**Chair:** Okay, it won't be long.

**Mr. J. Brown:** Yeah, you'll let me know when to come back?

**Chair:** Yes, certainly. Thanks for your patience here, everyone.

I guess, Jane, my questions have to do around how this initiative came to be in the first place. There are a lot of questions being brought forward and voiced with regards to who initiated it, who brought who together, and as we know here in Prince Edward Island pretty much everyone is connected or related by just probably one or two branches not too far from each other.

I guess my question would be with regards to Paul and Garth Jenkins, who are related and who were both significant investors if we go to the investors list on this file. Do you have any research or any knowledge with regards to how Paul Jenkins and/or Garth Jenkins became involved in this file, how they became investors in this company and if there were meetings that took place where one or either of these individuals participated?

**Jane MacAdam:** As far as meetings – there were emails back and forth. I'm trying to recall if there were any instances where there were meetings.

**Chair:** I know you clearly state in your report that the working group – that there were no minutes kept –

**Jane MacAdam:** Right, so –

**Chair:** – which I know it's impossible for you to know inside that room what took place and who attended.

**Jane MacAdam:** Right.

**Chair:** But these individuals, as I said before, were heavily invested in this initiative and I'm just trying to get a better understanding of how this all came together.

Within your – and I don't like to call it an investigation. I prefer to call it an audit, but within your audit and fact finding and interviews with the various witnesses that you did interview, were you able to ascertain exactly how this started?

Who was involved? Where the introductions came into play? Was this an initiative that started with the Mi'kmaq Confederacy and they had this idea and it hatched there? Or was it with Paul Maines coming to town and trying to sell snake oil? Or was it the working group and then they saw that the Earth Fund previously wasn't legal so then they thought that maybe: We could circumvent this by including the First Nations.

**Jane MacAdam:** Well, in 3.2 we say: In 2008 the confederacy approached government with the idea of working together on a gaming project.

**Chair:** Yes.

**Jane MacAdam:** Then, by 2009 it turned out establishing a regulatory and compliance framework for Internet gaming. The confederacy approached government. They were interested in additional sources of revenue, be it from Atlantic Lottery Corporation or bingo or a number of possibilities, but that's one of the first sort of items on the timeline that we talk about here in 3.2 –

**Chair:** Okay so –

**Jane MacAdam:** – and then it just – by 2009 there were discussions with the

confederacy and then in the timeline here we say that by February 2010 a working group was formed.

**Chair:** Yes.

**Jane MacAdam:** And then –

**Chair:** With this working group – and there is a PEI Lotteries Commission, correct?

**Jane MacAdam:** Yes.

**Chair:** How involved would any individuals from the lotteries commission be with this working group? Or is there any overlap there at all?

**Jane MacAdam:** The former minister of finance was on the working group and he was chair of the PEI Lotteries Commission, so there was overlap.

**Chair:** Was Michael O'Brien on the lotteries commission as well?

**Jane MacAdam:** Not at that time. Not during our scope period. No, not from – not during our scope period he wasn't on the lotteries commission.

**Chair:** Was Paul Jenkins or Garth Jenkins, were either of those individuals on this working group or the lotteries commission?

**Jane MacAdam:** No.

**Chair:** Okay. The working group itself, it was essentially held or facilitated through McInnes Cooper?

**Jane MacAdam:** Yes.

**Chair:** Was there a chair directly named to this working group?

**Jane MacAdam:** Not to my knowledge, not a chair. It was the former minister of finance, Don MacKenzie from the confederacy, Kevin Kiley, Gary Scales and Mike O'Brien from McInnes Cooper.

**Chair:** Okay, all right. You interviewed Don MacKenzie from the Mi'kmaq Confederacy.

**Jane MacAdam:** Yes.



**Chair:** Was that only individual from the Mi'kmaq Confederacy you interviewed?

Mr. Palmer, before you offer me your list, I don't know if you have a different list than I do. I have a list, but I don't have their job titles. If you do have that, I'd love to see it so that I have as much detail as you.

**Mr. Palmer:** No, I don't. I don't have it.

**Chair:** Okay. All right, thank you.

**Mr. Palmer:** But I do have a list and it's good to see you brought yours today.

**Chair:** I always have it with me.

**Jane MacAdam:** We didn't give any – sorry, we didn't interview anyone else from the confederacy.

**Chair:** None of the chiefs, like Brian Francis, he wasn't interviewed?

**Jane MacAdam:** No.

**Chair:** That's it for me, right now.

**Ms. Casey:** (Indistinct)

**Chair:** I don't know how close Jordan is – yeah, sure. Hopefully, it wasn't too cold outside today; you probably didn't even need your coat.

**Mr. J. Brown:** Chilly, but beautiful and sunny.

**Chair:** Yeah. We're going to keep moving on, then. Next on my list I have Jamie Fox.

**Leader of the Opposition:** Thank you, Chair. I just have three or four questions, here and then I think I might be done.

I'm interested in something, Jane, and it's – bear with me so I can see if I can explain it, put this in context. You're an accountant. Jamie Fox sells gas for Imperial Oil. I have a contract from Imperial Oil to only sell Imperial Oil fuel and Imperial Oil oil at my pumps and in my gas station. I devise a scheme where I can go around Imperial Oil and I'm going to pump gas or diesel from my pumps into a can. I'm going to, in turn, take that canned gas and I'm going to sell it out the backdoor so that I can make a little

bit of extra money skimming on what vapours and temperatures of gas.

I'm taking an Imperial Oil product that's entrusted me to sell for them through their pumps, but I'm going to take it and I'm going to skim some off the top and I'm going to sell it out the backdoor.

All of a sudden, you're the auditor, and you find out about it. Whether you're the auditor from Imperial Oil, or if me or you noticed that my dip records now aren't matching because I'm short fuel. Is there not an obligation, or what would you do in that case?

What would happen to Jamie Fox and his contract with selling gas if I developed a scheme of some way skimming gas off the product and selling it out the backdoor? The same as these guys took government money, came around the backside and had a scheme to put profit or money in people's pockets.

Is that not the same? Should there not be consequences?

**Jane MacAdam:** I think we've discussed this before. In terms of what government should do it depends on the contract. Whatever contracts are in place, you would expect the contracts to be followed. In some cases there are no contracts so you don't have that to go on.

The consequences for not complying with policies and legislation, that's government's decision whether or not they want to establish consequences.

**Leader of the Opposition:** Okay, Chair.

At any time during this whole audit were there ever any discussions within your office of bringing the RCMP or contacting a police agency? Was that ever brought up?

**Jane MacAdam:** Yes, it was discussed in terms of whether or not there was anything that warranted that. Based on our discussions and our legal counsel we determined that there was the most important issue for us was to raise the issues in the report, bring the issues to government's attention, and it's up to government to address the issues and the recommendations.

**Leader of the Opposition:** Chair, I'm interested now exactly what were the discussions that took place in regards to the RCMP or possibly their involvement.

**Jane MacAdam:** The only discussion was around things like apparent conflicts of interest versus actual conflicts. We concluded that these were apparent conflicts and that there were no – that there was no personal gain that we were aware of. Those were the factors that contributed to our decision, and based on legal counsel, as well.

**Leader of the Opposition:** Final question, Chair.

Can you briefly take this list, the information requested by the public accounts committee – it's a special assignment government involvement – can you quickly go through these 56 names and tell me who's still within a government role or job?

**Jane MacAdam:** Those within a government role?

**Chair:** Might I suggest that we have that as a request to the Auditor General just in the interest of time today? Rather than going through 56 names here, now.

**Leader of the Opposition:** Thank you.

**Chair:** There might be some research that the Auditor General has to do to ascertain whether or not somebody is still in employment with the provincial government.

**Leader of the Opposition:** Thank you.

**Chair:** Chris Palmer is next on my list, then Darlene Currie – Compton!

**Mr. Palmer:** Thank you, Chair.

Jane, I think –

**Chair:** (Indistinct)

**Mr. Palmer:** – I really like the recommendations around due diligence. I think that's a terrific one to come from this. As part of our responsibility as our report goes forward we'll be making

recommendations. I'll certainly be working hard to make sure that that recommendation of due diligence certainly follows through to our recommendations from the work here.

I think, and can you correct me if I'm wrong? I think if due diligence had of been preformed like it should have been the primary salesperson that came down and sold this idea to Wes, if due diligence was done wouldn't he have been – wouldn't someone have seen that he had been reprimanded in other jurisdictions for selling securities?

**Jane MacAdam:** If there had of been basic due diligence conducted –

**Mr. Palmer:** Yeah.

**Jane MacAdam:** – as I said before, there should have been some corporate history looked at, the financial statements and the corporate ownership. Those are just basic elements of due diligence on a company.

I can't say for sure what they would have found if they had done it, but even the corporate history –

**Mr. Palmer:** Okay.

**Jane MacAdam:** – would provide a lot of useful information.

**Mr. Palmer:** Yeah. I think that's very important, and I'll be sure whenever we get to the recommendation stage that I'll be bringing that one up again to make sure that that does follow through in our report.

Thank you, Chair.

**Chair:** Thank you, Chris.

Darlene Compton.

**Ms. Compton:** Thank you, Chair.

Just a couple of questions to wrap up. We talk about the loan being for \$950,000, but we know that there was up to a \$1.5 million that's involved in this.

**Jane MacAdam:** Yes.

**Ms. Compton:** During your audit did you find any invoices that were billed that did not pertain to this file?

**Jane MacAdam:** Yes. There was a, in paragraph 3.22, excuse me, we noted – the top of page 17, “...we noted instances on the invoices where the local law firm was billing MCPEI for providing legal and investment advice to the former Minister of Finance on an investment decision for the Prince Edward Island Lotteries Commission, a provincial Crown corporation.”

That was related to an investment decision on Geonomics.

**Ms. Compton:** So there were invoices that really had nothing to do with what was happening here as far as the scheme.

**Jane MacAdam:** This was an investment decision that the province took to invest in Geonomics as part of – through the Atlantic Lottery Corporation.

**Ms. Compton:** Can you elaborate on who covered the cost of the working group after February 2012? Was that included in the \$950,000? Did that cover how they were being paid?

**Jane MacAdam:** It was included in the 1.5.

**Ms. Compton:** 1.5?

**Jane MacAdam:** We included it there, right.

**Ms. Compton:** Were there any of the costs from the securities commission in that 1.5?

**Jane MacAdam:** No, no. That was separate.

**Ms. Compton:** We’ve had a lengthy go at this. You’ve had some wonderful recommendations. I understand we still have a box from McInnes Cooper that hasn’t been investigated at all; but moving from here, what would you as Auditor General like to see happen moving forward? Other than the recommendations that are in here, because we still have evidence that hasn’t been looked at.

**Jane MacAdam:** I guess the main thing is the recommendations. That’s what I can speak to because that’s the work that we

conducted and based on all of the findings and all of the issues that we discovered as part of our work – I mean, those are the recommendations that we put forward so I think that’s the most important action that government can take in terms of this report, is to implement the recommendations.

**Ms. Compton:** Excuse me. I ask that question because we are the public accounts committee and we want – we need to know after all of what we’ve gone through and the fact that we still have quite a bit of evidence that hasn’t been looked at by you or your department, that we need to know what you feel we’ll need to move forward with besides the recommendations in this book because we’ve just spent weeks delving into this and if there’s anything further that we need to do.

**Jane MacAdam:** I point out here that there are some scope limitations, so they will remain scope limitations and I will – as far as the scope limitations, one of the scope limitations is the fact that I didn’t have access to the work that was done by McInnes Cooper, like the working group, and they wouldn’t agree to meet, so part of that could be addressed when I look at what we get and we’ll have to decide what other procedures that we’re going to carry out; but in terms of the other scope limitations, they just stand as they are. The assignment is complete and we just acknowledge that we’re not confident that we received all government records connected with this engagement.

**Ms. Compton:** I just want to thank you for being here to let us ask the questions and I know it’s been a long process, but I think there’s still a lot of questions to be answered and I think that’s part of our obligation and job as a committee. So anyway, thank you very much.

**Chair:** I don’t currently have any other names on my list for questions, so if that concludes –

**Leader of the Opposition:** I have one (Indistinct)

**Chair:** Last word to Mr. Fox.

**Leader of the Opposition:** And just quick (Indistinct). Jane, where did Chris LeClair

go to work after he left government in the Premier's office?

**Jane MacAdam:** He has his own private consulting company, I believe.

**Barbara Waite:** (Indistinct)

**Jane MacAdam:** He was – we know that he was hired by McInnes Cooper to do some work, but I'm not sure what – I can't speak to all his work and what he's done.

**Leader of the Opposition:** Thank you.

**Chair:** Okay. Well, Jane and Barb –

**Ms. Casey:** Does this conclude (Indistinct)

**Chair:** This does conclude this section with the Auditor General. I'd certainly like to thank you on behalf of all committee members, present, past and future, and I know you still have a lot of work to do to get the 2017 report done but we still have to spend some quality time in the coming weeks with you as far as looking at the 2016 AG report and then, of course, the four-Atlantic provinces AG report on the Atlantic Lottery Corporation.

At this time, with the conclusion of this, I would ask if there's any motions to be brought forward and/or any requests – well, I guess first we'll ask for requests for information to be brought forward and then after we can discuss motions here amongst ourselves. Are there any requests for information?

**Clerk Assistant and Clerk of Committees:** Mr. Chair, I did make note of a couple that we went through.

**Chair:** Yeah, okay.

Jordan?

**Mr. J. Brown:** Point of clarity – I think I'm quite confident in my recollection that we had previously asked for the Dickinson Wright legal opinion, but does anybody know of that for sure?

**Chair:** Yeah, we did. The legal opinion – that was Tom Isaac. No, possibly we didn't ask for that one, but we did ask for the Tom Isaac one.

**Jane MacAdam:** Yes, it was asked for –

**Mr. J. Brown:** Okay.

**Jane MacAdam:** – on October 19<sup>th</sup> and I responded that it should be requested from the confederacy.

**Mr. J. Brown:** Okay, thank you.

**Chair:** All right.

**Jane MacAdam:** It's the same one, right?

**Barbara Waite:** Yes.

**Jane MacAdam:** It's Michael Lipton. It says Michael Lipton, which is Dickinson Wright.

**Chair:** Oh, okay.

**Jane MacAdam:** Michael Lipton is the lawyer who works for Dickinson Wright; that's why you may have been confused.

**Chair:** All right.

**Leader of the Opposition:** Chair?

**Chair:** Mr. Fox.

**Leader of the Opposition:** I'm wondering if somebody in the committee could ask for copies of any legal opinions that the Auditor General might have received in regards to calling in of the RCMP, or if there's any of that documentation?

**Chair:** I guess we can ask that question first before we –

**Jane MacAdam:** I can't provide that.

**Leader of the Opposition:** Pardon me?

**Jane MacAdam:** That's not something I can provide out of my files.

**Leader of the Opposition:** I never heard you.

**Jane MacAdam:** That's not something I can provide out of my files.

**Leader of the Opposition:** So I take it you do have that.

**Jane MacAdam:** I have – I consulted with legal counsel around that issue, but it's not information I can share with the committee.

**Leader of the Opposition:** So I'm going to get this clear: In your possession you have legal opinions in regards to calling in of the RCMP that you cannot release?

**Jane MacAdam:** I have legal advice.

**Leader of the Opposition:** Thank you.

**Chair:** The clerk had made note of a couple of items as we went through this morning of some material that we would like to request be brought forward.

**Clerk Assistant and Clerk of Committees:** Yes, and please correct me if I have mistaken as to what the committee has asked for. One question was: Who from McInnes Cooper signed the business plan which was part of the loan application to IIDI? The auditor has said she will bring that back.

**Chair:** Correct.

**Clerk Assistant and Clerk of Committees:** The second piece of information was the witness list previously provided by the Auditor General with the 56 names. The auditor has committed to going through and seeing who on that list is employed presently with the provincial government.

**Chair:** If I could add to that, too, just for my benefit and Mr. Palmer's. The list of 56 names, if we could have when they were interviewed or how they pertained to this file, what their position or interest was in this initiative.

Anything else from any committee members?

**Mr. Palmer:** What about some kind of a request to do a best-practices scan across Canada to adopt the recommendation?

**Clerk Assistant and Clerk of Committees:** (Indistinct)

**Chair:** (Indistinct)

**Mr. Palmer:** We have that? Okay.

**Clerk Assistant and Clerk of Committees:** I have made note of that –

**Mr. Palmer:** Okay, good.

**Clerk Assistant and Clerk of Committees:** – and my understanding is the committee is interested in best practices for and the role of the public accounts committees with regard to holding government to account.

**Chair:** Ms. Casey?

**Clerk Assistant and Clerk of Committees:** Is that – that doesn't –

**Mr. Palmer:** I –

**Chair:** Sorry.

**Clerk Assistant and Clerk of Committees:** That's not quite what you're looking for?

**Mr. Palmer:** No. I think it's more of what recommendations government can put in place to make sure policies are followed.

**Chair:** I don't know if I would call it recommendations. I would think it's a jurisdictional scan as to what policies and rules are in place for possibly corrective action –

**Mr. Palmer:** Right, something based –

**Chair:** – in the event that the *Financial Administration Act* or the Treasury Board rules and regulations are contravened?

**Mr. Palmer:** Yes.

**Clerk Assistant and Clerk of Committees:** So it's not the role of the public accounts committee. It is what is government's reaction?

**Mr. Palmer:** Yes, but –

**Chair:** Yes.

**Mr. Palmer:** – so that we can make in our recommendation that we could potentially adopt something that we find in the research.

**Chair:** Yeah, i.e.: Are they sanctioned or are they dismissed or are they suspended?

**Mr. Palmer:** Yes.

**Clerk Assistant and Clerk of Committees:** Thank you, and that's something that our researcher will work on, not a request of the Auditor General.

**Chair:** Yes.

**Mr. Palmer:** Okay, great. Thank you.

**Clerk Assistant and Clerk of Committees:** Thank you.

**Chair:** Kathleen, I think you had your hand up.

**Ms. Casey:** I did. Thank you, Mr. Chair.

I'm just wondering if we can find out of all of the recommendations made in the report of the Auditor General, can we find out what recommendations have been acted on and what remain to be acted on?

**Chair:** I think that's our next step and that will go under new business, but we have a tentative date right now for the Minister of Finance. He has an open invitation to present before this committee at the conclusion of the Auditor General's presentation.

**Ms. Casey:** I just want to make sure that we find out how we compare to what the recommendations were.

**Chair:** Sure.

**Ms. Casey:** Thank you.

**Chair:** I believe that's next Wednesday, but we can confirm that.

**Clerk Assistant and Clerk of Committees:** I do have a note that I will be seeking clarification for the committee that March 1<sup>st</sup> is agreeable to the committee; it is agreeable to Minister Roach.

**Chair:** Okay.

**Clerk Assistant and Clerk of Committees:** He's holding time on his calendar.

**Chair:** Okay.

**Clerk Assistant and Clerk of Committees:** That's a yes for that, committee?

**Chair:** Yes.

**Clerk Assistant and Clerk of Committees:** We'll proceed.

**Chair:** I did have one other request if the Auditor General could bring it back. Could you provide us with a list of every vendor attached to this file?

I know we had talked about the invoices before and you said that you couldn't provide that, that we would have to go back to IIDI or McInnes Cooper, but I'm just looking for the actual vendors that were involved in this.

**Jane MacAdam:** The vendors? Some of the arrangements were made through the law firm, so I guess it depends. I can –

**Chair:** Even if they were arranged through the law firm. The Premier, when he asked you to do this, he then went back to the law firm, and went back to the Mi'kmaq Confederacy and said: Listen, co-operate fully with the Auditor General. Open it up, and –

**Jane MacAdam:** Right.

**Chair:** – and let's get this information out.

**Jane MacAdam:** But I haven't looked at that, yet.

**Chair:** Yeah.

**Jane MacAdam:** I can give you what I have.

**Chair:** Okay, but you've already seen the invoices I'm assuming because you have come up with the tally of close to \$1.5 million?

**Jane MacAdam:** Yeah.

**Chair:** So –

**Jane MacAdam:** I can give that 1.5 –

**Chair:** Yeah, the information that you –

**Jane MacAdam:** – whatever comprises the \$1.5 million –

**Chair:** – have now, and when you unseal that other box potentially there could be more in that.

**Jane MacAdam:** Yeah.

**Chair:** If you just provide what you have at this time.

**Jane MacAdam:** Yeah.

**Chair:** That would be great, thank you. I don't – Darlene?

**Ms. Compton:** I just have some motions.

**Chair:** Okay, I don't have anything further. It doesn't appear that the committee members have anything further.

Once again, thank you very much for your time, and all your hard work on this file. I appreciate it.

**Jane MacAdam:** Thank you.

**Barbara Waite:** Thank you.

**Some Hon. Members:** Thank you.

**Chair:** We'll just wait until Mr. Fox returns. I think he's just gone to the washroom, and then we'll move into the motions.

**Clerk Assistant and Clerk of Committees:** Darlene, do you have those in writing by any chance?

**Ms. Compton:** No.

**Clerk Assistant and Clerk of Committees:** Okay.

**Ms. Compton:** Sorry.

**Clerk Assistant and Clerk of Committees:** I'll read them back to make sure that I have them (Indistinct)

**Ms. Compton:** Yes.

**Ms. Casey:** Is he a permanent member of this committee?

**Clerk Assistant and Clerk of Committees:** No, he is not.

**Chair:** Right, no, he's not, so we can get rolling. Let's start. Go ahead, Darlene, you have the floor.

**Ms. Compton:** In keeping with what we've pushed with this report from the very beginning were some motions to get emails, first of all. I would like to move a motion that we have the emails sent, or given to us by Chris LeClair, Melissa MacEachern, Neil Stewart and Robert Ghiz as it pertains to all of this file – all of this report.

**Chair:** Just give it a moment.

**Clerk Assistant and Clerk of Committees:** I'm sorry, that we are provided with the emails from –

**Ms. Compton:** Any emails pertaining to this file from the government, from the Auditor General, which she's already said she didn't have, so –

**Ms. Casey:** If she's said she doesn't have them, how are we going to obtain them?

**Ms. Compton:** Through government.

**Ms. Casey:** Thank you.

**Clerk Assistant and Clerk of Committees:** The motion is that: Ms. Compton moves; that the committee be provided with emails from Chris LeClair, Melissa MacEachern, Neil Stewart and Robert Ghiz, and they be provided by government.

**Chair:** Discussion?

**Mr. J. Brown:** I think we've already been advised that they don't exist, so –

**Ms. Compton:** Well, Neil Stewart and Robert Ghiz.

**Mr. J. Brown:** Okay, so what?

**Ms. Compton:** Pertaining to the e-gaming file.

**Mr. J. Brown:** Are you looking – so, she's got those emails –

**Ms. Compton:** But I'm still going to go on record as saying that we would like to have a motion moved here that we can access any

emails that government might have. That's what I'm saying.

**Chair:** Okay. No further discussion. I'll call for a vote on this motion.

All those in favour signify by saying 'aye' or by raising your hand.

**Ms. Compton:** I can't vote.

**Chair:** No, I know.

Contrary minded, please indicate by raising your hand.

Motion defeated.

**Ms. Compton:** The second motion I'd like to put forward is that we do bring in Wes Sheridan, Billy Dow, Garth Jenkins, Paul Jenkins –

**Mr. J. Brown:** Chair, before we – is it all one motion?

**Ms. Compton:** It's all one motion.

**Ms. Casey:** Could we do the –

**Mr. J. Brown:** Why don't we leave that till the end –

**Ms. Casey:** – could we make them separate, so we can (Indistinct)

**Ms. Compton:** Well, I can, for sure, if that's –

**Mr. J. Brown:** Can you –

**Ms. Compton:** – if that's what you want.

**Mr. J. Brown:** – leave that until the end?

**Clerk Assistant and Clerk of Committee:** We have had some of those names already defeated, Mr. Chair, so it would be to rescind that decision.

**Ms. Compton:** Okay.

**Clerk Assistant and Clerk of Committees:** When I look at the list, Darlene, we have Wes Sheridan has already been voted down –

**Ms. Compton:** Okay.

**Clerk Assistant and Clerk of Committees:** – so that would be a separate one. I do not have Billy Dow, so that's a new name.

**Ms. Compton:** Yes.

**Clerk Assistant and Clerk of Committees:** Garth Jenkins was already defeated so that would go in with Mr. Sheridan's name and Paul Jenkins, also. You could divide them into two motions if you like, and have Billy Dow in a motion by himself, and (Indistinct)

**Ms. Compton:** I also have Mike O'Brien –

**Clerk Assistant and Clerk of Committees:** Mike O'Brien would be in the same boat as Mr. Sheridan and the others.

**Ms. Compton:** So, I –

**Clerk Assistant and Clerk of Committees:** The only name that would stand by itself, right now, would be Billy –

**Chair:** Billy Dow.

**Clerk Assistant and Clerk of Committees:** - Dow.

**Ms. Compton:** I would rescind the motion and ask that we bring those people in, and we can do a separate motion for Billy Dow because he has not been (Indistinct)

**Mr. J. Brown:** (Indistinct) Are we dealing with –

**Ms. Compton:** We're –

**Ms. Casey:** They've already been dealt with –

**Ms. Compton:** I'm asking to rescind the motion.

**Mr. J. Brown:** But is it – are you doing it all in one?

**Ms. Compton:** Well –

**Chair:** She's doing –

**Clerk Assistant and Clerk of Committees:** We're doing the ones – if I might clarify –

**Chair:** Yeah.



**Clerk Assistant and Clerk of Committees:**

The committee had already considered a number of those names, and I'll just read them off: Wes Sheridan, Mike O'Brien, Garth Jenkins, Paul Jenkins. Was there another name there?

**Ms. Compton:** Billy Dow.

**Chair:** Billy Dow is separate because he was –

**Clerk Assistant and Clerk of Committees:** Before –

**Chair:** – never brought up –

**Clerk Assistant and Clerk of Committees:** – and the committee –

**Chair:** – (Indistinct) before.

**Clerk Assistant and Clerk of Committees:** – had voted against them before. So, Ms. Compton's motion is really to rescind that decision to reverse it, and to bring in Mr. Sheridan, Mr. O'Brien and Mr. Paul Jenkins and Mr. Garth Jenkins in as witnesses before it. That's the motion in front of the committee.

The other name is a new name and that will be dealt with in a separate motion.

**Ms. Compton:** Okay.

**Mr. J. Brown:** I'll go out for a few minutes.

**Chair:** No, don't get your coat. It'll be quick, Jordie.

Okay, so we'll have the clerk read the first motion, again.

**Clerk Assistant and Clerk of Committees:** Thank you, Chair.

Darlene Compton moves that the committee rescind its previous decisions regarding the following witnesses and bring them in to testify before the committee: Mr. Wes Sheridan, Mr. Mike O'Brien, Mr. Paul Jenkins and Mr. Garth Jenkins.

**Chair:** That's the motion. Discussion?

Mr. Palmer.

**Mr. Palmer:** I get to read this, again, a quote from Jane, the Auditor General, on January 11<sup>th</sup>, 2017: "For us to complete our work and issue the report, the work that we did was sufficient in terms of who we interviewed and the questions that we asked."

I just want that into the record, again.

**Chair:** Yeah.

**Mr. Palmer:** I know we're continuing to ask the same questions, and it's still the same response she had on January 11<sup>th</sup>. That's not going to change. It doesn't matter how many times we ask this question. I just wanted to put that out there.

**Chair:** Okay.

**Ms. Compton:** I will continue to ask the question because I feel it's very important that we find out how this all transpired –

**Leader of the Opposition:** First hand.

**Ms. Compton:** – first hand. The Auditor General already did say that she didn't get all the information that she needed, really. I will stand by my –

**Mr. Palmer:** So the expectation is that we can do better work than the AG? I –

**Ms. Compton:** No –

**Mr. Palmer:** – don't think we can.

**Ms. Compton:** – but part of our job here as members of this committee is to look at what the Auditor General did to make decisions moving forward or in the past. We've brought it up a number of times that we feel that these people are important to our decision-making process. I will stand by my motion to rescind.

**Ms. Casey:** Question.

**Chair:** Question. Those voting in favour of this motion please indicate by raising your hand. Those contrary minded, please raise your hand.

Motion defeated.

Next motion – oh, sorry.

**Clerk Assistant and Clerk of Committees:** Let's wait for Mr. Brown to come in.

**Chair:** Okay. Next motion.

**Ms. Compton:** I move that we bring in Billy Dow to discuss his involvement in the e-gaming file.

**Chair:** Discussion?

Mr. Palmer.

**Mr. Palmer:** The Auditor General on January 11<sup>th</sup>, 2017 had quoted to us: "For us to complete our work and issue the report, the work that we did was sufficient in terms of who we interviewed and the questions that we asked."

**Ms. Casey:** Question.

**Chair:** Question, those voting in favour of this motion please indicate by raising your hand. Those contrary minded?

Motion defeated.

Are there any other motions?

**Ms. Compton:** I have another motion, yes.

**Chair:** Okay. Go ahead, Ms. Compton.

**Ms. Compton:** Also to bring in to this committee Gary Scales, Kevin Kiley and I mentioned Mike O'Brien earlier, Michael Mayne, Tracey Cutcliffe, Steve Dowling and Katherine Tummon.

**Clerk Assistant and Clerk of Committees:** I'm just going to check the previous decisions of the committee.

**Ms. Compton:** Sure, yeah.

**Clerk Assistant and Clerk of Committees:** It'll just take a moment. We might have to divide the motion in two.

**Ms. Compton:** Sure.

**Clerk Assistant and Clerk of Committees:** (Indistinct)

**An Hon. Member:** Bet you're going to read that again.

**Mr. Palmer:** I am. You'd think I'd know it by now.

**Ms. Compton:** Off by heart.

**Clerk Assistant and Clerk of Committees:** If I could recommend that we divide that motion in half. The committee had previously decided not to invite Tracey Cutcliffe or Michael Mayne and so perhaps we could deal with that one first. It would be rescinding that decision and indeed inviting those two individuals forward and then we'll do a second motion for the new names, if that's agreeable.

**Chair:** Yes.

**Clerk Assistant and Clerk of Committees:** Okay. So the motion, as I understand it, is that the committee rescinds its decision to bring in Tracey Cutcliffe and Michael Mayne and invite them in to testify before the committee on this matter.

**Mr. J. Brown:** Rescind it not to bring them in?

**Chair:** No, rescind to bring them in.

**Ms. Compton:** Bring them in.

**Clerk Assistant and Clerk of Committees:** There was a previous decision to not invite those two people, so this motion –

**An Hon. Member:** So she wants to –

**Clerk Assistant and Clerk of Committees:** – if it carried, it would overturn that decision and invite in Tracey Cutcliffe and Michael Mayne.

**Chair:** All right, discussion?

**Ms. Casey:** I notice on the list, the list of people that the Auditor General interviewed, Steven Dowling is already on that list.

**Chair:** Yeah.

**Ms. Casey:** Okay, thank you.

**Chair:** Chris, do you want us to just cut and paste?

**Mr. Palmer:** Yeah, you can. I'll add in another piece at the beginning of this. When

I went to university I took accounting. I was an accounting major, and I know that a piece of the accounting is to – or to do audits or reviews like this – is to get a sampling of information so that you can get to the answers that you're looking for.

Just because I took that course doesn't mean I'm the Auditor General and I can't redo her work, but if others here think they can, then that's all right; but I will go back to what the Auditor General had said on January 11<sup>th</sup>: "For us to complete our work and issue the report, the work that we did was sufficient in terms of who we interviewed and the questions that we asked."

I'm not in a position to be qualified to suggest that I understand this more than the Auditor General and I think this committee had tasked – or the Auditor General was tasked to get us that information because we don't have the skills or the experience, or the training, to be able to find this. I just wanted to say I don't think I can do the job better than the AG.

**Chair:** Okay, duly noted.

**Ms. Casey:** Question.

**Chair:** Question, those in favour of this motion, please indicate by raising your hand. Those contrary minded, same.

Motion defeated.

Next motion, Ms. Compton?

**Ms. Compton:** Motion to bring in –

**Clerk Assistant and Clerk of Committees:** The names that I have noted would be to invite in before this committee Gary Scales, Kevin Kiley, Steven Dowling and Katherine Tummon. Thank you.

**Chair:** Discussion?

**Mr. J. Brown:** Yeah, I might have – okay, so – just to clarify the (Indistinct) there was at least one name in there that I had previously indicated that might be an issue from my perspective –

**Ms. Compton:** Okay.

**Mr. J. Brown:** – was Steve Dowling, and Katherine Tummon possibly as well. I'm wondering what your interest is in those individuals.

**Ms. Compton:** Well, I just think they're all part of this puzzle and they are, again, people –

**Mr. J. Brown:** But, what role – what capacity are we talking about having them in relation –

**Ms. Compton:** Steve Dowling was superintendant of securities at the time, right?

**Mr. J. Brown:** Okay, so –

**Ms. Compton:** So –

**Mr. J. Brown:** That being the case, I'm going to –

**Ms. Casey:** Well let's – can you carve off his name and then we can do one motion and then we can –

**Chair:** There were two names, right, Katherine Tummon and Steven Dowling?

**Mr. J. Brown:** Katherine Tummon (Indistinct)

**Chair:** Is there any issue with Katherine Tummon?

**Mr. J. Brown:** Well I don't know what she –

**Ms. Compton:** Well, she was let go by the securities commission.

**Chair:** She –

**Mr. J. Brown:** (Indistinct)

**Chair:** – she was the commissioner of securities and then Steven Dowling did the investigation into Paul Maines on behalf of the securities commission, and then after Katherine Tummon left the commission Steven Dowling became the acting superintendent of –

**Ms. Casey:** But, can he vote on one of them and then –

**Chair:** Well, I guess that –

**Mr. J. Brown:** (Indistinct)

**Chair:** – was my question to him, is where the conflict is. Is it directly with the securities commission or is it –

**Mr. J. Brown:** To be truthful there's likely not a direct conflict, but as I had indicated when we first started out, our office had provided advice to the securities commission in relation to their investigation –

**Chair:** So there's no need to carve off because both individuals are connected with –

**Ms. Casey:** Yeah, but there are other names that were all indicated in one big motion.

**Mr. J. Brown:** Not the securities commission.

**Ms. Casey:** So how many names were included there?

**Clerk Assistant and Clerk of Committees:** The names that I have are Gary Scales, Kevin Kiley, Steven Dowling, and Katherine Tummon.

**Chair:** So there would be two motions.

**Ms. Compton:** Two motions.

**Clerk Assistant and Clerk of Committees:** Do you wish to do that, Ms. Compton?

**Ms. Compton:** Sure, if that works.

**Clerk Assistant and Clerk of Committees:** Perhaps then –

**Ms. Casey:** Do the first one so he can stay and –

**Chair:** Yes.

**Clerk Assistant and Clerk of Committees:** All right.

**Ms. Casey:** Mr. Chair, if I could ask if the member has other motions because if he doesn't, our colleague could leave.

**Chair:** I think she indicated earlier –

**Ms. Casey:** That's the last one?

**Chair:** – that was the last one, yes.

**Ms. Casey:** Okay.

**Mr. J. Brown:** Under new business I do have something else.

**Ms. Casey:** Okay. Thank you.

Question?

**Clerk Assistant and Clerk of Committees:** The committee has agreed that the motion from Darlene Compton would be subdivided into two, and the first of those would be that the committee invites in Gary Scales and Kevin Kiley. That's the question before the committee.

**Chair:** Discussion?

Mr. Palmer.

**Mr. Palmer:** I take this work on the committee really seriously and I think it's –

**Ms. Compton:** You're saying we don't?

**Mr. Palmer:** It doesn't seem so because we think for some reason that we can do the job better than the Auditor General and I just don't agree with that and I would like to read into the record a quote from the Auditor General on January 11<sup>th</sup>, 2017, which the Auditor General said: "For us to complete our work and issue the report, the work that we did was sufficient in terms of who we interviewed and the questions that we asked."

**Ms. Casey:** (Indistinct) question.

**Chair:** Thank you very much, Chris.

**Ms. Compton:** I'd like to comment, first.

**Chair:** Darlene?

**Ms. Compton:** I am not saying that we are trying to redo the Auditor General's report and I take my role in this committee just as seriously as anyone else and I would like to go on record, at the very end of this, that I feel these people still need to come forward and that's what the motions are about.

**Chair:** Okay, any other discussion?

**Mr. J. Brown:** Just for a point of clarification –

**Chair:** Yes.

**Mr. J. Brown:** Kevin Kiley, what were you wanting to have him in for? I don't think he (Indistinct)

**Ms. Compton:** Well, he was involved with the gaming commission at the time.

**Chair:** With the working group.

**Ms. Compton:** Yes.

**Mr. J. Brown:** I think Jane had said that yeah, she had heard that he might have participated in the working group meetings, but is that the extent (Indistinct)

**Ms. Compton:** Again, she said he may have. So again, we'd like to clarify some of this, right? Yeah.

**Mr. J. Brown:** Okay, I just wanted to (Indistinct) that's all I'm asking, yeah.

**Chair:** Any other discussion?

**Mr. J. Brown:** (Indistinct) anything else.

**Ms. Casey:** Question.

**Chair:** Question. All those voting in favour of this motion please indicate by raising your arm; and contrary minded, raise your hand.

Motion defeated.

**Clerk Assistant and Clerk of Committees:** Thank you, committee.

The second part of the original motion, which we carved off, is that the committee invite in Steven Dowling and Katherine Tummon and I have noted that you (Indistinct)

**Ms. Casey:** Question.

**Chair:** Discussion?

**Mr. Palmer:** Again –

**Chair:** I can ask the question.

**Mr. Palmer:** Again, I'm very pleased with the work that the Auditor General had done for us. I think she found some –

**Chair:** Chris, just one moment. I just wanted to point out to Ms. Casey that you're calling the question before an individual even has an opportunity for discussion so I just want to make sure that committee members have a chance to discuss the motion before we call the question, which I can probably do quite well. Thank you.

**Mr. Palmer:** Thank you, Chair.

**Chair:** Mr. Palmer.

**Mr. Palmer:** Thank you. I think the Auditor General did some great work, gave us a number of recommendations that we can use in our final report and I'm very pleased with the work that she did and as a professional auditor, the advice that we had from her on January 11<sup>th</sup>, which she stated: "For us to complete our work and issue the report, the work that we did was sufficient in terms of who we interviewed and the questions that we asked."

**Chair:** Thank you, Mr. Palmer.

Is there any other discussion? Question. Those voting in favour of this motion please indicate by raising your hand. Contrary minded, the same.

Motion defeated.

Thank you. Being no further motions, Mr. Brown is back. Next on the agenda is –

**Ms. Casey:** Is there any motion (Indistinct)

**Chair:** – scheduling of additional meetings. He had indicated he wanted to speak under new business.

**Clerk Assistant and Clerk of Committees:** March 1<sup>st</sup> with Minister Roach and I will confirm that with the minister's office.

**Chair:** Okay.

**Clerk Assistant and Clerk of Committees:** (Indistinct)

**Chair:** Can the committee members indicate whether or not March 1<sup>st</sup> works for them?

**Mr. Palmer:** Works for me.

**Chair:** Okay.

**Clerk Assistant and Clerk of Committees:**  
Thank you. I'll confirm that with the Minister's office –

**Mr. J. Brown:** Is that a Wednesday?

**Clerk Assistant and Clerk of Committees:**  
– I know (Indistinct)

**Chair:** Yeah, it should be next Wednesday. Yes, it is next Wednesday.

We'll go from there. I would guess we'll still have to get the Auditor General's schedule as far as when we can proceed with the 2016 report, as well as the Atlantic lottery's report, but at this time what would be the preference of this committee? To move into the 2016 report or to move directly into the Atlantic lottery report?

**Mr. J. Brown:** Do we – are we – I know the AG's under an obligation to have her next report out by the 15<sup>th</sup>. Are we under any kind of obligation to have her complete her piece before we get into the next one?

**Clerk Assistant and Clerk of Committees:**  
It's really up to the committee to set its schedule, Mr. Chair.

**Chair:** As far as completing the 2016 report?

**Clerk Assistant and Clerk of Committees:**  
It's entirely up to the committee.

**Chair:** So then we're not under any direct obligation, then, within that. We can submit a partial report on that and then follow-up for the next sitting.

**Ms. Casey:** Mr. Chair?

**Chair:** Ms. Casey.

**Ms. Casey:** What would it – would it be not prudent of this committee to assist the Auditor General in meeting her statutory obligation of March 15<sup>th</sup>? Does she not have to have the 2016 report in by March 15<sup>th</sup>?

**Chair:** She has the 2016 report in, doesn't she? It's the 2017 report that she's working on now.

**Ms. Casey:** Did we not discuss – did this committee – I'm not a permanent member, but did we not – we didn't do any discussion –

**Chair:** We started the 2016 report, and then this special audit came out and then we moved directly into this.

**Ms. Casey:** Will we be assisting her in fulfilling her obligation in completing our discussions on the 2016 report?

**Chair:** No, that's what we just discussed, that we're fine with that.

**Mr. Palmer:** Have we started on the Atlantic lottery report, yet?

**Chair:** No, we haven't. The only thing that we've done with the Atlantic lottery report is she just gave us her briefing, her overview. We didn't get into any questions in that report as of yet.

**Mr. Palmer:** The 2016, since we've already started it, probably, would be the best use of our time?

**Mr. J. Brown:** We did start – just to – my recollection is she went through her stuff in the ALC part; it would be up to us to now ask questions on it –

**Chair:** That's correct.

**Mr. J. Brown:** – so technically, it's been gone through one.

**Mr. Palmer:** Okay.

**Mr. J. Brown:** Whereas the other stuff, I think we've gone through two chapters, and we would be starting a new chapter, if I recall correctly.

**Chair:** Yeah.

**Mr. J. Brown:** We're really starting fresh in a new chapter on the 2016 report or starting questions fresh on the ALC report.

**Chair:** As Chair my preference would be to go to the 2016 report and see how much we

can get completed on that in the next three or four weeks before the –

**Mr. J. Brown:** My own personal preference –

**Chair:** – Legislature opens.

**Mr. J. Brown:** – would be get the ALC report out of the way and then it's done.

**Chair:** My only –

**Mr. J. Brown:** (Indistinct)

**Chair:** – concern there is if we get into even remotely close to the number of questions that we had on this report.

**Mr. J. Brown:** Right, I guess –

**Chair:** The other report is much more straightforward. We start getting into Geonomics and a lot of issues around what happened there. I think we could get bogged down, but I'm more than willing to put it forward and have a vote on what the committee would prefer to do.

**Mr. J. Brown:** Let's get the important work done first in the ALC report, I'd say. If you think there's important issues there –

**Chair:** I think it's all important.

**Ms. Casey:** Is that a motion? Do you need a motion or –

**Mr. J. Brown:** Yeah, I'll make the motion.

**Chair:** Okay.

**Mr. J. Brown:** Let's go to the ALC report as a priority over the other.

**Chair:** Okay.

**An Hon. Member:** Sure.

**Ms. Casey:** Everybody –

**Chair:** I think everybody's in agreement, so I don't think we even really need a motion –

**Clerk Assistant and Clerk of Committees:** Consensus?

**Chair:** – so it's consensus, yeah.

**Clerk Assistant and Clerk of Committees:** I will let the Auditor General know that and I believe she's holding time on her calendar on March 8<sup>th</sup>, that would be the week after Minister Roach.

**Chair:** Okay.

**Clerk Assistant and Clerk of Committees:** If that's agreeable to the committee?

**Chair:** Okay, sounds good. All right.

Moving onto number six, new business, I think, Jordan, you had indicated that you had something in under new business?

**Mr. J. Brown:** Yes, I just wanted to follow-up. I guess the first question is did we send a letter to Steven Myers in relations to emails that we had discussed previously?

**Chair:** Yes.

**Mr. J. Brown:** Had we ever gotten a response on that?

**Chair:** I don't believe so.

**Mr. J. Brown:** Can we send a follow-up letter to him?

**Chair:** Sure.

**Mr. J. Brown:** Have you had any discussions with him or has anybody had any discussions with him as to –

**Chair:** I think he did respond to you here at one of the meetings, though.

**Mr. J. Brown:** No. All he ever said was he's not a witness.

**Chair:** Yeah.

**Mr. J. Brown:** So, I'm sure it's interesting for a guy that's all about openness and transparency to not want to be open and transparent. Anyway, it's his choice.

**Chair:** I think the pendulum swings both ways as far as witnesses and things go. Anyhow, so we will prepare a letter and signed by myself and you as vice-chair and send it off to Mr. Myers.

Any other new business?

Okay, no further business to be discussed today. I'll call for a motion for adjournment.

Thank you, Mr. Palmer.

The Committee adjourned