



Office of the
Conflict of Interest and
Ethics Commissioner

Commissariat aux
conflits d'intérêts et
à l'éthique

Morneau II Report

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Mario Dion

Conflict of Interest and
Ethics Commissioner

Morneau II Report

made under the *CONFLICT OF INTEREST ACT*

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PREFACE

This report is submitted pursuant to the *Conflict of Interest Act (Act) S.C. 2006, c.9, s.2.*

The Conflict of Interest and Ethics Commissioner may conduct an examination under the Act at the request of a member of the Senate or House of Commons, as is the case with this examination, or on his own initiative.

When an examination is conducted at the request of a parliamentarian, the Commissioner is required to provide a report to the Prime Minister setting out the relevant facts of the case as well as the Commissioner's analysis and conclusions in relation to the examination. At the same time that the report is provided to the Prime Minister, a copy of the report is also provided to the public office holder or former public office holder who is the subject of the report and the report is made available to the public.

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EXECUTIVE SUMMARY

This report presents the findings of my examination under the *Conflict of Interest Act* (Act) of the conduct of the Honourable Bill Morneau, in his former capacity as Minister of Finance, regarding his participation in two matters involving WE's private interests. One related to a decision to award WE the administration of the Canada Student Service Grant (CSSG), a government program to encourage youth to participate in national service. The other related to WE's proposed Social Entrepreneurship program, a digital program providing entrepreneurship expertise and mentorship opportunities.

I was asked by several parliamentarians to investigate because of the close ties that Mr. Morneau and his relatives allegedly had with WE, an international development charity and youth empowerment movement founded by Mr. Marc Kielburger and Mr. Craig Kielburger. Headquartered in Mr. Morneau's constituency, it is made up of WE Charity, ME to WE Social Enterprise and several other affiliates.

My examination initially focused on subsection 6(1) and section 21 of the Act. I expanded it to include subsection 11(1) and section 12 when information came to my attention that Mr. Morneau and his family had accepted two trips from WE in 2017. In October 2020, I discontinued my examination of a possible contravention of those two provisions in light of evidence that Mr. Morneau had not knowingly accepted a gift or other benefit from WE. In March 2021, information received by this Office prompted me to re-examine the documentary evidence. That reassessment gave me reason to believe that Mr. Morneau may also have contravened section 7.

My examination therefore focused on subsection 6(1), section 7 and section 21 of the Act.

In early April 2020, Mr. Morneau identified the need for a policy to help post-secondary students facing the loss of summer jobs because of the COVID-19 pandemic. Mr. Amitpal Singh, one of his policy advisors, proposed having youth volunteer through the Government's Canada Service Corps. At Mr. Morneau's direction, Department of Finance Canada officials began having discussions with Employment and Social Development Canada (ESDC) officials on options for a new youth national service program.

Mr. Craig Kielburger introduced WE's Social Entrepreneurship program proposal, under development since before the pandemic, to the Minister of Small Business, Export Promotion and International Trade on April 7. The proposal was mentioned to Mr. Singh by a WE representative during an April 8 telephone call. Believing the Government could use WE's ability to track volunteer hours to fill a service-delivery gap, Mr. Singh told a senior Department of Finance official about the conversation. On April 10, Mr. Craig Kielburger sent Mr. Morneau a copy of the proposal.

On April 18, Department of Finance officials updated Mr. Morneau on the development of the new national service program and raised the prospect of a partnership with the private sector or not-for-profit sector in order to disburse funds. On April 21, they presented to Mr. Morneau a draft memorandum relating to proposed student support measures, which included four funding annexes for his approval and supporting materials for information purposes only.

One of the annexes involved expanding the Canada Service Corps' micro-grants program and creating a web-based volunteer matching platform. Another sought funding for the creation of the CSSG. The Department of Finance advised that the CSSG should be administered by a third party partnered with an organization like WE, and recommended setting aside funds for the program while further work was done on the annex. WE's Social Entrepreneurship proposal formed part of the supporting materials, although it had not been analyzed or assessed. According to the evidence, this was the first time WE was identified in Mr. Morneau's briefing materials on student support measures and he was not given any details about it during the briefing.

Mr. Morneau then approved funding for the Canada Service Corps and the CSSG but did not make any decision in relation to WE's Social Entrepreneurship proposal. Mr. Singh directed Department of Finance officials to include funding for the Social Entrepreneurship proposal.

On April 22, Mr. Trudeau announced the creation of the CSSG and the volunteer matching platform among proposed measures to help post-secondary students and recent graduates.

At Mr. Singh's request, WE had reworked a component of its Social Entrepreneurship proposal into a new Youth Summer Service proposal that would allow 20,000 young people to participate in service projects over three months and earn a stipend.

On April 23, the Department of Finance asked ESDC for a proposed design and delivery plan for the CSSG, with a mid-May 2020 launch. ESDC determined a third party was needed to administer the program and identified WE as a potential administrator, noting its Youth Summer Service Proposal could potentially be used as the basis for the program. On April 24, ESDC asked WE to submit a full proposal to administer the CSSG.

On April 28, ESDC submitted a proposed design and implementation plan for the CSSG. They recommended WE as the program administrator. Approved in principle by the Cabinet Committee on the federal response to the coronavirus disease (COVID-19) on May 5, the proposal was to be presented to the full Cabinet for ratification on May 8. Given his relatives' ties to WE, Mr. Trudeau and his Chief of Staff removed the CSSG proposal from the May 8 Cabinet agenda and asked that the public service conduct further analysis.

On May 15, Mr. Trudeau approved Mr. Morneau's decisions relating to the funding of the student support measures but declined the recommendation to fund WE's Social Entrepreneurship proposal. On May 21, Mr. Trudeau permitted the CSSG proposal to be presented at Cabinet, which ratified it on May 22. Mr. Morneau testified that he supported the final CSSG proposal and approved it in writing on June 3.

On June 22, Mr. Trudeau approved the contribution agreement with WE.

I sought to determine whether Mr. Morneau contravened subsection 6(1), section 7 and section 21 of the Act when he participated in the decisions to recommend funding for WE's Social Entrepreneurship program and to select WE as the administrator of the CSSG.

Subsection 6(1) of the Act prohibits public office holders from making or participating in the making of a decision that would place them in a conflict of interest. Section 4 states that a public office holder is in a conflict of interest when they exercise an official power, duty or function that provides an opportunity to further their private interests or those of their relatives or friends or to improperly further another person's private interests.

Section 21 of the Act requires public office holders to recuse themselves from any discussion, decision, debate or vote on any matter in respect of which they would be in a conflict of interest.

I am satisfied there was no opportunity to further Mr. Morneau's own interests or those of his relatives in the matters under examination. Having examined the nature of Mr. Morneau's relationship with Mr. Craig Kielburger, co-founder of WE, and the personal and professional interactions between them, I determined they are friends within the meaning of the Act. Consequently, I found that Mr. Morneau had the opportunity to improperly further WE's private interests.

This Office has traditionally favoured a narrow interpretation of the term "friend" to include only the public office holder's closest personal friends. Colleagues, associates or members of a broad social circle were generally excluded from its application. I believe it is necessary to broaden the scope of the term to capture relationships where personal and professional interactions become intertwined to such an extent that it becomes difficult to draw the line between the two. In such cases, the public office holder's judgment in the exercise of their official powers and duties can reasonably be impaired.

The friendship between Mr. Morneau and Mr. Kielburger, co-founder of WE, created a *potential* conflict for Mr. Morneau when called upon to make a decision that would further WE's private interests. Thus, any decision made by Mr. Morneau that provided an opportunity to further WE's private interests was made improperly.

Mr. Morneau should have reasonably known that he was in a potential conflict of interest because of his relationship with Mr. Craig Kielburger when he received WE's Social Entrepreneurship proposal on April 10, 2020. During subsequent briefings on the student relief package, the proposal was again raised and WE was mentioned as a possible partner in the national service program. On April 19, when Mr. Morneau was advised that WE would likely play an important role in the student relief initiative, he should have recused himself from those discussions in accordance with section 21 of the Act.

Mr. Morneau knew that WE would have to be brought "into the fold" on the student relief package. Accordingly, Mr. Morneau's recommendation to set aside \$900 million in funding for the CSSG on April 21 and his participation in Cabinet discussions on May 22, where he ultimately voted in favour of the creation of the CSSG and the selection of WE as its administrator, provided an opportunity to improperly further WE's private interests because of his friendship with Mr. Craig Kielburger. In so doing, Mr. Morneau placed himself in a conflict of interest on several occasions.

I also sought to determine whether Mr. Morneau contravened section 7 of the Act, which prohibits public office holders from giving preferential treatment to a person or organization based on the identity of a representative for the person or organization. For a contravention of section 7 to occur, the treatment a public office holder gives to a person or organization must be more favourable than the treatment they might give to a similarly situated person or organization, and there must be a prior relationship between the public office holder and the representative.

I found no evidence that Mr. Morneau was directly involved in ESDC's decision to propose WE as the administrator of the CSSG. Nor does he appear to have provided instruction or direction to anyone associated with WE's Social Entrepreneurship proposal.

However, his ministerial office had an unusually high degree of involvement in past files relating to WE that was also apparent in the matters under examination. There were frequent communications between members of Mr. Morneau's ministerial staff and WE representatives. Mr. Singh asked WE to expand its Social Entrepreneurship proposal and forwarded the reworked Summer Youth Proposal to the Prime Minister's Office and the Department of Finance without reviewing, analyzing or sharing it with Mr. Morneau. He also continued to promote WE's original Social Entrepreneurship proposal. With the revamped proposal available, ESDC officials—facing a tight implementation timeframe—had no alternative but to reach out to WE.

It has long been understood that it would be improper for a minister or parliamentary secretary to conflate their ministerial duties with their parliamentary duties. Even though WE is an established charitable organization, WE and its representatives must still be treated like any other constituent stakeholder. It must make requests for assistance using the appropriate channels and be redirected to the relevant authorities without preferential treatment when, as in this case, personal and professional relationships are blurred.

I am of the view that Mr. Morneau gave WE preferential treatment by permitting his ministerial staff to disproportionately assist it when it sought federal funding. I believe this unfettered access to the Office of the Minister of Finance was based on the identity of WE's representative, Mr. Craig Kielburger. This preferential treatment also constitutes an impropriety under subsection 6(1).

I therefore found that Mr. Morneau contravened subsection 6(1), section 7 and section 21 of the Act.

CONCERNS AND PROCESS

[1] On July 10, 2020, I received three separate letters requesting I initiate an examination into the conduct of the Honourable Bill Morneau, Minister of Finance, in relation to the creation of the Canada Student Service Grant (CSSG) and the selection of WE¹ as the program’s administrator. The first was from Mr. Michael Barrett, Member of Parliament for Leeds–Grenville–Thousand Islands and Rideau Lakes; the second from Mr. Charlie Angus, Member of Parliament for Timmins–James Bay; and the third was a joint letter from the Honourable Pierre Poilievre, Member of Parliament for Carleton, and Mr. Michael Cooper, Member of Parliament for St. Albert–Edmonton.

[2] The complainants all alleged that Mr. Morneau contravened subsection 6(1) of the *Conflict of Interest Act* (Act). This provision prohibits public office holders from making any decision or participating in the making of a decision that furthers their private interests, those of their relatives or friends, or that improperly furthers the private interests of another person. The complainants alleged that two of Mr. Morneau’s children had close ties with WE. Specifically, his eldest daughter had spoken at WE Day Ottawa in 2016 and had received the support of WE co-founder, Mr. Marc Kielburger, when she published her first book, while his youngest daughter was hired by WE in August 2019.

[3] Mr. Barrett expressed his concern that despite the Morneau family’s close ties with WE, Mr. Morneau continued to involve himself in official dealings with the organization. Mr. Barrett wrote that in August 2019, Mr. Morneau joined WE co-founder, Mr. Craig Kielburger, to announce a \$3 million investment in WE’s Social Entrepreneurs initiative.²

[4] Three of the complainants further alleged that Mr. Morneau also contravened section 21 of the Act by failing to recuse himself from all discussions relating to WE as a result of his family’s close ties with the organization.

[5] Messrs. Barrett, Poilievre and Cooper requested I commence an examination into a possible contravention of section 7 of the Act, alleging that WE had benefited from preferential treatment because of its close ties to Mr. Morneau and members of his family. Mr. Barrett also alleged that Mr. Morneau used his position to seek to influence a decision on the matter of the CSSG, in contravention of section 9 of the Act. However, the complainants did not provide sufficient information to set out any reasonable grounds in support of either allegation. Consequently, I did not pursue an examination of those provisions at that time.

¹ For the purposes of the report, we refer to “WE Charity,” “ME to WE Social Enterprise,” or any other of their affiliates, collectively, as “WE.”

² This allegation prompted me to initiate a preliminary inquiry under the *Conflict of Interest Code for Members of the House of Commons* in respect of Mr. Morneau’s involvement, in his capacity as the Member for Toronto Centre, in the awarding of this investment. Mr. Morneau’s response was sufficient for me to conclude that there were no grounds to initiate an inquiry into the matter.

[6] After having considered the three requests for examination, I determined they satisfied the requirements set out in subsection 44(2) of the Act. I wrote to Mr. Morneau on July 16, 2020, to inform him that I had commenced an examination under subsection 44(3) of the Act and informed the complainants accordingly.

[7] Specifically, I informed Mr. Morneau that the purpose of my examination was to evaluate his participation in the Government of Canada's (Government) decision to have WE administer the CSSG to determine whether he contravened subsection 6(1) and section 21 of the Act.

[8] On July 22, 2020, minutes prior to Mr. Morneau's appearance before the House of Commons Standing Committee on Finance (FINA), he wrote to advise me of a material fact that had come to his attention since receiving my letter of July 16. Upon reviewing his financial records relating to two volunteer trips in which his family had participated in July and December 2017, Mr. Morneau wrote that he was unable to confirm that he and his family paid for certain expenses in relation to programming and accommodations offered by WE. Mr. Morneau added that once he became aware of this fact, he had immediately reimbursed the organization for the full costs of the portion of both trips that it had absorbed.

[9] In the same letter, Mr. Morneau also noted that his spouse, Ms. Nancy McCain, had previously made two donations of \$50,000 each, in April 2018 and June 2020, to WE.

[10] Following Mr. Morneau's testimony before FINA, I received two additional requests, from the four aforementioned complainants, in relation to Mr. Morneau's and his family's acceptance of the two trips provided by WE in 2017.

[11] In both letters, the complainants alleged that Mr. Morneau and members of his family accepted a significant financial benefit in the form of complimentary travel with an organization that had dealings with the Government, in contravention of subsection 11(1) of the Act. This provision prohibits a public office holder or a member of their family from accepting gifts that may reasonably be seen to have been given to influence the public office holder in the exercise of their official powers, duties or functions.

[12] Messrs. Poilievre, Barrett and Cooper also alleged that Mr. Morneau had contravened section 12 of the Act by accepting travel aboard a non-commercial or private aircraft. Although their letter did not provide any information in support of their allegation, information in the public domain raised the possibility that Mr. Morneau's family had accepted a flight on a non-commercial chartered or private aircraft during their July 2017 trip to Kenya.

[13] The complainants also alleged that Mr. Morneau contravened section 23 and subsection 25(1) of the Act by failing to properly disclose the acceptance of a gift in excess of \$200 and failing to publicly declare a recusal, respectively. A failure to report or publicly declare a private interest such as a gift or the circumstances surrounding a recusal may lead to the imposition of an administrative monetary penalty under the Act.

[14] On July 24, 2020, I issued two notices of violation to Mr. Morneau in respect of his failure to disclose the acceptance of a gift or other benefit associated with both 2017 trips. The proposed penalties were assessed at \$500 each, the maximum amount allowable under the Act. I informed

Mr. Morneau that the Act afforded him two options: he could pay the proposed penalties or make written representations in respect of the alleged violations and proposed penalties within 30 days of the deemed date of service.

[15] I then wrote to Mr. Morneau on July 29, 2020, to inform him that I was examining possible contraventions of subsection 11(1) and section 12. I also informed him that there were no reasonable grounds to examine whether a contravention of subsection 25(1) had occurred.

[16] On August 10, 2020, Mr. Morneau's counsel provided me with a copy of documents submitted to FINA. The documents contained the same redactions as those submitted to the committee. However, since I was of the view that I had already received unredacted copies of all the relevant documents from other sources, I did not follow up with Mr. Morneau or the Department of Finance on this issue.

[17] It is also my understanding that none of the redactions consisted of confidences of the Queen's Privy Council relating to the CSSG program. Mr. Morneau and other witnesses confirmed to me in writing that, in keeping with public disclosures of information on the CSSG made by members of the Queen's Privy Council for Canada, a considerable amount of information on that program that would otherwise be protected as a Cabinet confidence was released.

[18] On August 31, 2020, Mr. Morneau provided me with a second tranche of documentary evidence and a preliminary response to my request for production of documents. This tranche consisted of all communications between Mr. Morneau or a member of his ministerial staff and a WE representative since Mr. Morneau took public office in 2015, as well as any other relevant documentation relating to WE in his possession, custody or control. These documents were unredacted.

[19] On September 15, 2020, following a brief extension, Mr. Morneau provided me with written representations in response to the notices of violation. Mr. Morneau's position was that he could not have disclosed the acceptance of a gift to this Office since he did not knowingly accept a gift or other benefit from WE. Mr. Morneau wrote that he had no knowledge that WE had taken the liberty of providing complimentary accommodation and programming costs to his family on their trips in 2017. Mr. Morneau explained that his family travel arrangements are handled by personnel employed to manage such affairs. Because the family pays for all their personal travel, Mr. Morneau wrote that he expected the same was true for both trips in question.

[20] Mr. Morneau wrote that he became aware of the complimentary costs only after my letter to him on July 16, 2020, advising him I was commencing an examination into his conduct in relation to the CSSG. Mr. Morneau then took steps to quantify the full amount for both trips, which totalled \$41,366.

[21] In his earlier preliminary submissions, Mr. Morneau had explained that he had not participated in or been invited to attend the first trip in July 2017. Rather, it was Mr. Morneau's eldest daughter who had been invited and had asked whether her mother would also be interested in participating.

[22] Mr. Morneau added that following the trip to Kenya in July, Ms. McCain communicated with Mr. Marc Kielburger, who suggested a visit to observe WE's operations in Ecuador. As with the first trip, Mr. Morneau stated that he was not involved in the coordination or planning of the visit, nor was he in contact with WE representatives about the trip. Mr. Morneau wrote that Ms. McCain arranged the trip with the help of a travel agent and a family office assistant.

[23] Mr. Morneau also explained that he was not involved in the decision to make two \$50,000 donations to WE. Mr. Morneau wrote that Ms. McCain, who has a long history of philanthropy, had decided on her own to make those donations.

[24] I sought and obtained a supplemental document brief from Mr. Morneau on October 23, 2020. This supplemental brief consisted of the following: receipts showing that Mr. Morneau and his family had arranged and paid for their trips through a travel agent; a copy of the invitation from WE to Mr. Morneau's daughter's personal email account, as well as other relevant correspondence from personal emails; proof of Mr. Morneau's payment in the amount of \$41,366 to WE on July 22, 2020; and a letter from the Director of the Toronto Foundation confirming that Ms. McCain had directed the donations be made to WE.

[25] In light of the documentary evidence, which corroborated Mr. Morneau's position statement, I wrote to Mr. Morneau on October 28, 2020, to advise him I had determined an administrative monetary penalty was not warranted in the circumstances. I also advised him that I had discontinued my examination into the allegations of a possible contravention of subsection 11(1) and section 12 of the Act. I confirmed that my examination remained ongoing in respect of a possible contravention of subsection 6(1) and section 21 of the Act.

[26] On March 5, 2021, I received additional information, tangentially related to the matter under examination, from an anonymous source that prompted me to re-examine the documentary evidence I had already received. Upon further review, I noted Mr. Morneau's and his ministerial office's involvement in two requests for funding by WE. The first was a \$10 million request for funding for its Accelerator Hub, which received both federal and provincial funding in 2018. The second was a \$25 million funding request for the aforementioned Social Entrepreneurs initiative in 2019. In light of my reassessment of these events, I had reason to believe that Mr. Morneau may have contravened section 7 of the Act, which prohibits preferential treatment to a person or organization based on the identity of a representative of that person or organization.

[27] In lieu of an interview, I asked Mr. Morneau to make written representations outlining his position and involvement in respect of the three remaining allegations. I also asked Mr. Morneau to provide details on his involvement in the recommendation to award \$12 million in funding towards a proposed Social Entrepreneurship program that Mr. Craig Kielburger had personally submitted to Mr. Morneau on April 10, 2020. I received Mr. Morneau's response to the allegation of a possible contravention of section 7 on March 30, 2021, and received an executed affidavit in respect of subsection 6(1) and section 21 on April 5, 2021.

[28] In keeping with the Office's practice, I provided Mr. Morneau with a copy of the relevant documentary evidence gathered during this examination, as well as a draft copy of the factual portion of the examination report (Concerns and Process, Facts and Mr. Morneau's Position) before it was finalized.

[29] On July 3, 2020, at the request of several parliamentarians, I initiated an examination relating to the same subject matter into the conduct of the Prime Minister of Canada, the Right Honourable Justin Trudeau. The documentary evidence gathered was used for both examination reports.

[30] The Office received over 40,000 pages of documents from Mr. Morneau, Mr. Trudeau and 13 witnesses, which included a copy of the documentation that all witnesses had submitted to FINA. Because all parliamentary proceedings are protected by parliamentary privilege, I was unable to use witness testimony before committee as a source of information despite my formal request to FINA to allow me to do so. Accordingly, I had to interview certain witnesses who had previously appeared before FINA in order to obtain their testimony anew.

[31] I am mindful of the studies undertaken by FINA and two other parliamentary committees on the various aspects of government spending during the COVID-19 pandemic, including the CSSG. None of their work impeded my own. It is important to note that this examination dealt solely with the conduct of Mr. Morneau in respect of his obligations under the Act.

FACTS

Background

WE organization

[32] WE is an international development charity and youth empowerment movement founded in 1995 by Messrs. Marc and Craig Kielburger. WE is made up of WE Charity, ME to WE Social Enterprise³, and several other affiliates. Formerly known as Free the Children, the organization implements development programs in Asia, Africa and Latin America, focusing on education, access to clean water, healthcare, food security and economic opportunity.

[33] WE also runs domestic programming for young people in Canada, the U.S. and the U.K., promoting service learning and active citizenship. Since 2007, WE has organized a series of large-scale events, known as “WE Days,” held in various cities throughout the school year. WE Day events have hosted tens of thousands of students and celebrated the impact the students have made on local and global issues. Students earn their tickets by participating in the WE Schools program, a year-long service-learning program run by WE. Each event features a lineup of speakers such as social activists, elected officials from various levels of government and musical performances.

[34] The organization held its last WE Day event on March 4, 2020, in London, England. WE announced in July 2020 that it was cancelling its WE Day activities for the foreseeable future to prioritize its international work.

WE’s interactions with the government

[35] Public records show that between 2006 and 2015 WE received about \$1.1 million from the Harper government. Between 2015 and 2019, WE was the recipient of at least \$5.5 million in funding from various departments including Employment and Social Development Canada (ESDC) and Canadian Heritage. In an internal briefing produced by staff in Mr. Morneau’s office, WE was described as a key stakeholder and a “like-minded external partner.”

The Morneau family’s interactions with WE

[36] According to Mr. Morneau, he first became acquainted with WE after he was elected as a Member of Parliament in November 2015, since the organization’s headquarters was in his constituency. Messrs. Marc and Craig Kielburger wrote they believe that they first met Mr. Morneau and Ms. McCain in 2016.

³ According to information posted on WE’s website, the Kielburgers both derive a salary from ME to WE Social Enterprise.

[37] Mr. Morneau described that two of his children have had some involvement with WE. In 2016, after writing a book related to refugee girls in Kenya, for which Mr. Marc Kielburger wrote an endorsement on the front cover of the book, Mr. Morneau's eldest daughter spoke at three WE Day events as part of the book tour. According to Mr. Morneau, his daughter did not receive any compensation for her speeches at these events or otherwise.

[38] In April 2017, Mr. Craig Kielburger wrote to Mr. Morneau and Ms. McCain to share news that he and his spouse were expecting a baby. In his email, Mr. Kielburger wrote that Mr. Morneau and Ms. McCain were "among the first to know" the news and expressed his gratitude for the "many wonderful friends and family" to impart parenting advice. Mr. Morneau did not recall specifically whether he or his spouse gave Mr. Kielburger a gift to celebrate the arrival of his child. However, Mr. Morneau noted that his practice was to give a small congratulatory gift, as he had done routinely with staff, team members, constituents and associates, at his personal cost.

[39] Later that month, Mr. Kielburger emailed Ms. McCain to acknowledge having seen them over the weekend. In his email, Mr. Kielburger complimented her daughter's speech at WE Day Montreal in February and invited the family to the grand opening of the WE Learning Centre in September. Mr. Kielburger extended the same invitation to the Morneau family in May 2017 in a subsequent email to Mr. Morneau's personal account. Mr. Kielburger thanked Mr. Morneau for his "years of incredible championing and support."

[40] Later that summer, Mr. Marc Kielburger invited Ms. McCain and one of her daughters to visit WE's facilities in Kenya, which they did in July 2017. While in Kenya, Mr. Craig Kielburger had a private dinner with Ms. McCain and her daughter.

[41] Mr. Marc Kielburger later invited Ms. McCain to see WE's work in Ecuador. Mr. Morneau accompanied his family in December 2017 for their visit to the country. Mr. Morneau recalled that Mr. Craig Kielburger was present on the trip in a general host capacity. The two had limited, cordial interaction during the trip. Mr. Kielburger wrote that in both cases, the Morneau family members were among a group of individuals and families and participated in the same activities as others in the group.

[42] In a July 2018 email, Mr. Craig Kielburger invited both Mr. Morneau and Ms. McCain to attend WE Day Toronto and WE Day UN in New York City, since their daughter would be speaking at both events. Mr. Kielburger ended his email thanking them for their family's friendship.

[43] In February and March 2019, Mr. Morneau's youngest daughter began an unpaid internship at WE as part of the practical portion of her post-secondary education. In July 2019, she began working with WE, first in a short-term position, then in a contract position with ME to WE which lasted until August 2020.

[44] Mr. Morneau stated that in April 2018 and June 2020, Ms. McCain made two donations to WE on behalf of their family foundation. While both he and Ms. McCain are signatories for their family foundation, Mr. Morneau affirmed that he was not involved in the decision, nor did he sign off on it. This was supported by documentary evidence.

[45] Mr. Morneau also wrote that he and Ms. McCain hosted Mr. Craig Kielburger and his family at their home in 2018 and early 2019. On one occasion, a Sunday brunch was organized by Ms. McCain in May 2018. Mr. Kielburger wrote that this was a thank-you brunch following the family's service trips. Mr. Kielburger, his spouse (who is also employed by WE) and their son attended the brunch. Mr. Kielburger wrote that he and his spouse attended in their professional capacity. Mr. Morneau stated that while he had little recollection of these events, he expected that they would have discussed WE's charitable works and family matters and did not discuss any government business.

[46] Messrs. Marc and Craig Kielburger added that they have never socialized with Mr. Morneau or Ms. McCain outside of their professional capacities and do not consider either of them friends.

Mr. Morneau's interactions with WE in his capacity as an elected official

[47] According to Mr. Morneau, in his capacity as an elected official, he attended several student events organized by WE, including WE Day Ottawa in November 2016.

[48] In December 2016, Mr. Marc Kielburger emailed Mr. Morneau to thank him for participating in WE Day Ottawa and for being gracious and generous with his time and support. In the email, Mr. Kielburger also followed up on a discussion the two had at an event unrelated to WE, where Mr. Kielburger had outlined WE's request for funding for a national youth service proposal. There is no evidence to suggest that Mr. Morneau or his office took any action at that time.

[49] According to the documentary evidence I received from Mr. Morneau, it was following a June 28, 2017 meeting with Mr. Craig Kielburger that Mr. Morneau and his ministerial office first began assisting the organization in its attempts to secure public funding for its Accelerator Hub. The documentary evidence also shows that Mr. Morneau and his ministerial staff assisted WE by reviewing its funding proposals, introducing WE representatives to ministerial staff in the relevant departments as well as intervening on their behalf at the federal, provincial and municipal levels.

[50] In three separate emails in December 2017 to various chiefs of staff to ministers within the Government of Ontario, a member of Mr. Morneau's ministerial staff offered introductions for Mr. Craig Kielburger by indicating that he was a "dear friend" of the office, that WE was a "great local partner," and asked that their provincial counterparts make time to meet with Mr. Kielburger and other representatives of the organization for them to be able to discuss a proposal for provincial funding. When Mr. Morneau's office was notified by their provincial counterparts that funding had been approved, Mr. Morneau called Mr. Kielburger to personally convey the news.

[51] Documentary evidence also shows that Mr. Morneau's office received assistance from Mr. Kielburger and WE for at least two events organized by Mr. Morneau's ministerial office, including the Finance Minister's Youth Pre-Budget Consultations in Toronto in November 2017 and in December 2017. These consultations, which were held at WE offices, were also promoted by WE.

[52] In September 2018, Mr. Kielburger forwarded a copy of WE's funding proposal for the Social Enterprise Centre to officials in Mr. Morneau's ministerial office. Mr. Kielburger sought advice on which ministers he should share his proposal with. Later that month, Mr. Morneau's ministerial staff organized a meeting between Mr. Kielburger and the then Parliamentary Secretary to the Minister of Finance, Ms. Jennifer O'Connell. Ms. O'Connell had initially questioned why her participation in the meeting was

required. Mr. Morneau's office replied that "this one is important to Bill and Craig is not in town often. It is purely listening mode to keep him happy." When speaking of Mr. Kielburger, Mr. Morneau's ministerial staff indicated that "he has been really good to us so I want to keep him happy [...]."

[53] In all, the documentation highlighted dozens of exchanges between ministerial staff in Mr. Morneau's office and representatives of WE. The tone of the communications was informal and friendly. The interlocutors regularly communicated on a first-name basis and used colloquialisms such as "Hey girl" or "Hey friend" in their conversations. When emailing Mr. Morneau, up to and including his communications concerning the matter under review, Mr. Kielburger addressed his messages to "Bill" and, on occasion, extended greetings to "Nancy" and to Mr. Morneau's children.

[54] Mr. Morneau stated that, like many constituent organizations in his riding had done over the years, WE reached out to his staff for guidance and support to seek appropriate sources of funding from all levels of government. And as with many projects, his office would assess and engage to provide assistance where possible, without his instruction. He noted that Mr. Craig Kielburger did have his personal email address, which was shared routinely with constituents, business associates or other individuals with whom he communicated in an official capacity. Mr. Morneau viewed his accessibility as a point of professionalism.

[55] Mr. Morneau added that his relationship with Mr. Craig Kielburger was congenial and professional in nature, similar to his relationship with many other community leaders in his riding. He characterized Mr. Kielburger as a "friendly acquaintance."

Government response to the COVID-19 Pandemic

[56] On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. In the following days and weeks, provinces and territories declared states of emergency to respond to the public health crisis. On March 13, 2020, the Government of Canada (Government) began announcing a series of measures to provide aid to provinces and territories, various sectors of industry, families and workers.

Early April: Mr. Morneau identifies need for student support measures

[57] According to Mr. Morneau, it was in early April that he identified the need for a policy to assist post-secondary students who had lost summer job offers or whose job search was upended as a result of the pandemic, and who would be ineligible for other government emergency support. Mr. Morneau added that the student support initiatives represented a small portion of the overall government support programs, noting that he had been given more than 100 decision notes, covering a broad range of policy issues, for consideration during that period. Each note required a formal analysis by the Department of Finance, and each required multiple decisions to be made.

[58] Mr. Amitpal Singh, Policy Advisor to the Minister of Finance, testified that he devised a program to encourage national projects through micro-grants and to enable young people to gain experience simultaneously. He believed the program could be implemented and perhaps even delivered through the Canada Service Corps. He discussed the early stages of his idea with his colleagues in the Minister's office, the Department of Finance and the Prime Minister's Office. According to Mr. Singh, Mr. Morneau planned to raise Mr. Singh's general idea with Mr. Trudeau during their upcoming discussion on April 5.

[59] The Canada Service Corps is a government initiative that offers community service opportunities for young people aged 15 to 30. The program falls within the portfolio of the Honourable Bardish Chagger, Minister of Diversity and Inclusion and Youth, with the support of the Honourable Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion.

[60] Service placements, within one of the 12 Canada Service Corps partner organizations, can vary in intensity and duration to accommodate youth's participation. Full-service placements involve at least 30 hours of service per week for a minimum of three months, while flexible service placements involve a minimum of 120 hours of service within a year.

[61] Youth may also access Canada Service Corps micro-grants to fund small-scale, youth-led projects and innovative service ideas to address community needs. They allow youth to design, develop and implement a service project by taking ownership of an issue, proposing a solution, recruiting their peers and implementing it at the local level. Micro-grant projects typically last three months.

April 5: Mr. Morneau and Mr. Trudeau have a discussion

[62] Mr. Trudeau and Mr. Morneau briefly discussed a potential student support package of programs and benefits during an April 5 telephone call.

[63] According to Mr. Trudeau, he was told the Department of Finance was examining options to support students given the likely loss of summer employment. One of the options was the idea of the Canada Service Corps playing a role in enabling young people to assist in essential service response.

[64] Mr. Trudeau added that the Minister of Finance's office and the public service took the lead in developing the details of the student aid package. While members of the Prime Minister's Office were engaged as the programs were developed, they were not leading the effort. This was consistent with the documentation submitted to this Office.

[65] Mr. Morneau stated that on April 6, he asked his ministerial team and the Deputy Minister of Finance, Mr. Paul Rochon, to engage with officials across the Government and develop different options to support students. Documentary evidence shows that Mr. Morneau's ministerial staff engaged with the Prime Minister's Office and Ms. Chagger's office. Department of Finance officials began engaging with ESDC officials on the idea of expanding the Canada Service Corps.

[66] According to Ms. Michelle Kovacevic, Assistant Deputy Minister, Department of Finance, her department's role was to develop the policy parameters for a funding decision relating to student support measures. Ms. Kovacevic testified that while the Minister's office does not draft decisions, it does assist the Department in ensuring it has accurately captured what the Minister has instructed to be included in a policy.

April 7 to April 10: WE's Social Entrepreneurship proposal

[67] According to the documentation provided, WE had been developing a proposal for a Social Entrepreneurship program prior to the pandemic. On April 7, Mr. Craig Kielburger spoke with the Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade, to introduce WE's Social Entrepreneurship program proposal. Following their call, Mr. Kielburger submitted the proposal to Ms. Ng's office on April 9.

[68] The proposal, which had been tailored to meet the new reality of the COVID-19 pandemic, sought to serve 8,000 young Canadians over a 12-month period. It included three components: a 10-week digital program providing entrepreneurship expertise and support in the era of COVID-19; a mentorship program linking entrepreneurs with several hundred experts from established companies; and a base payment to all participants, which also included access to additional incentive funds and long-term mentorship opportunities. The proposal offered three cost levels: \$6 million, \$11 million and \$14 million.

[69] In an email reply to Mr. Kielburger, Ms. Ng's staff indicated to him that they would review the proposal and get back to him.

[70] WE's Social Entrepreneurship proposal was also shared with the Minister of Finance's office. As part of a broader outreach to organizations outside government, Mr. Singh spoke with Ms. Sofia Marquez, then Director of Government and Stakeholder Relations with WE, on April 8. During the call, Ms. Marquez indicated that WE had moved much of its work online and spoke of a social entrepreneurship summer program the organization was developing. Ms. Marquez explained that WE had the ability to track hours, manage different participants and make payments, and would be using these tools when implementing the proposal.

[71] Mr. Singh informed Ms. Kovacevic of his conversation with Ms. Marquez and of WE's ability to track volunteer hours. Mr. Singh testified that he believed, at the time, that the Government could use WE's ability to track hours to fill a void in their service delivery.

[72] On April 9, Ms. Marquez emailed the Social Entrepreneurship proposal to Mr. Singh, who informed Ms. Marquez that they should continue to engage with Ms. Ng's office and keep him informed of any progress.

[73] On April 10, Mr. Kielburger emailed Mr. Morneau and Ms. Chagger, separately, to inform them of his discussion with Ms. Ng and included a copy of the proposal he had shared with Ms. Ng.

[74] According to Mr. Morneau, he read Mr. Kielburger's email but did not read the attached proposal as it was not his practice to read documents sent to him from outside organizations. I found no evidence indicating Mr. Morneau responded to Mr. Kielburger's email or took any action at this time. According to Ms. Chagger, she did not speak to Mr. Morneau or to any other Cabinet colleague about WE's Social Entrepreneurship proposal. I did not find any evidence to the contrary.

April 14 and 15: Mr. Morneau and Mr. Trudeau receive updates

[75] On April 14, Mr. Morneau received a briefing by Department of Finance officials on student support measures. On April 15, Mr. Trudeau received, at his request, the same briefing from Mr. Morneau's staff and Department of Finance officials.

[76] Mr. Trudeau was given further details on the Department of Finance's idea of incenting as many youths as possible to national service. He was told that this new measure would be positioned as a stream of the Canada Service Corps.

[77] Ms. Kovacevic testified that, during the April 15 briefing, she recalled Mr. Trudeau was generally in agreement with the way the Department of Finance had positioned the youth volunteering policy.

Mid-April: ESDC and Department of Finance officials begin discussing a national service initiative and volunteer matching platform

[78] Following Mr. Trudeau's briefing, officials with the Department of Finance and ESDC began having discussions on implementation options for a new youth national service program, as developing the model for the program fell within the latter's responsibility. Ms. Chagger's office was also engaged as needed.

[79] In mid-March, at the request of Ms. Chagger's office, ESDC officials had drafted a proposal to expand the micro-grants program of the Canada Service Corps. The proposal was shared with Ms. Kovacevic on April 15.

[80] In an April 15 email from Ms. Kovacevic to two ESDC officials, including Ms. Rachel Wernick, Senior Assistant Deputy Minister, Ms. Kovacevic wrote that the Department of Finance had already earmarked funds to expand the Canada Service Corps' micro-grants, and that ESDC officials needed to think of something bigger in order to reach as many youth as possible. Ms. Kovacevic suggested leveraging the service stream of the Canada Service Corps and the Volunteer Canada platform to receive more submissions for volunteer matching, adding that Mr. Trudeau had been supportive of the idea. Ms. Kovacevic also raised the possibility of providing youth with bursaries in recognition of their service. Ms. Kovacevic informed Ms. Wernick that, in a matter of days, Mr. Trudeau would likely make an announcement relating to student support measures and that they needed to determine what could be done.

[81] Ms. Wernick replied that she understood Ms. Kovacevic's reference to the Volunteer Canada platform to mean that the interest was in offering youth short, one-off volunteering activities that could assist in the COVID-19 pandemic. Ms. Wernick explained to Ms. Kovacevic that the Canada Service Corps provided micro-grants for project proposals undertaken by youth with other youths, and that service activities under the Canada Service Corps were more intense than ad hoc service opportunities with a short duration.

[82] Ms. Wernick also informed Ms. Kovacevic that they needed to be realistic on how much more they could expand the micro-grants of the Canada Service Corps given the limitations of the third party responsible for disbursing the micro-grants to recipients, and the fact that many of the not-for-profits were closed because of the pandemic. The documentary evidence shows that ESDC officials had contacted the third party in early April to inquire about its capacity to expand and had been told the organization could provide a total of 7,200 micro-grants and that they would take three months to put into place.

[83] In the same email conversation, Ms. Wernick advised Ms. Kovacevic against using Volunteer Canada's online platform as it had limitations. Instead, Ms. Wernick suggested a web-based matching service using the Government's Job Bank platform with promotional assistance from an organization, like WE, that could leverage its social media following to direct youth to the government site where they could sign up to volunteer. Ms. Wernick wrote that officials would reach out to WE.

[84] Ms. Wernick testified that it was her previous experience with WE that led her to suggest the organization. In the context of the design phase of the Canada Service Corps in 2018, ESDC's Skills and Employment Branch entered into a contribution agreement with WE, which was asked to explore incentive models to encourage youth to participate in service that included a particular emphasis on digital supports and innovative ways of reaching youth.

[85] Ms. Wernick also testified that ESDC officials had learned through their experience with Volunteer Canada's Pan-Canadian Volunteer Matching Platform that although a youth-based program could be developed, it did not mean that there would be uptake. According to Ms. Wernick, from 2017 to 2019, Volunteer Canada had received funding from the Government to develop a platform that would serve as a one-stop shop for youth to access volunteer opportunities across Canada. The organization built a database with 80,000 opportunities, however, there was very limited uptake by youth, due in part to a lack of social media integration. This was the reason for her suggestion of using an organization such as WE which, according to Ms. Wernick, had a proven track record of successfully engaging with youth.

[86] Ms. Kovacevic replied to Ms. Wernick that if there was something with WE that could be done, ESDC officials should propose it. Ms. Kovacevic testified that she understood the purpose of contacting WE at that time would be to see about tapping into their youth network to drive youth to the Government's volunteer matching platform. Ms. Kovacevic also testified that given the very tight timelines and the amount of program development left to do, if involving WE or any other organization could assist the Government in realizing their ambitious program, she wanted officials to propose it.

[87] Following her discussions of April 15 and 16 with Ms. Kovacevic, Ms. Wernick and ESDC officials began exploring various options and evaluating the Government's infrastructure for a volunteer matching platform. They sought to determine the Government's ability to quickly build a function to track volunteer hours, the capacity of the third party responsible for administering the Canada Service Corps micro-grants program to expand, and the capacity of various not-for-profit groups to track service hours and disburse the bursaries.

[88] Ms. Wernick testified that ESDC officials tried to respond very quickly to the Government's desired options as they had been expressed to them by Department of Finance officials.

April 17: Ms. Chagger speaks with WE

[89] According to documentary evidence, after meeting Ms. Chagger during a December 2019 WE Day event in Ottawa, Mr. Craig Kielburger contacted her in early February 2020 and requested a meeting in order to discuss WE's work and its desire for further collaboration with the Government. As a result of the request, a meeting was scheduled for April 17.

[90] In preparation for the meeting, ESDC officials provided Ms. Chagger with a briefing note. The note indicated that ESDC had recently received the Social Entrepreneurship proposal from WE which proposed to create an online educational learning platform focused on service and volunteerism. Documentary evidence shows that the Director General of the Canada Service Corps spoke with Ms. Marquez in order to receive further information on WE's proposal. According to the briefing note, WE's proposal offered several areas for future collaboration, some of which could be tailored to address

immediate needs of youth because of the pandemic. As a speaking point, it was suggested that Ms. Chagger indicate to Mr. Kielburger that she would ask her officials to reach out to learn more about the proposal, which could address immediate needs of youth as a result of the pandemic.

[91] Ms. Chagger and Mr. Kielburger spoke on April 17, at which time Mr. Kielburger and Ms. Marquez presented WE's Social Entrepreneurship proposal. Following their meeting, Ms. Chagger asked her staff if WE's Social Entrepreneurship proposal was being considered. Her staff contacted staff in Ms. Ng's office to inquire about Ms. Ng's thoughts on the proposal. Ms. Ng's staff advised that WE's proposal was under evaluation and that neither Ms. Ng nor her staff had yet spoken to Mr. Kielburger about the proposal.

April 18: Mr. Morneau is briefed on the student aid package

[92] On April 18, Department of Finance officials updated Mr. Morneau on the current development of the new national service program. According to Mr. Morneau, officials raised the prospect of a partnership with the private sector or not-for-profit sector in order to disburse the bursaries and mentioned WE, among other organizations, as an example of a group already doing similar work. In an April 17 draft memorandum from the Department of Finance to Mr. Morneau, no third-party partner was proposed.

[93] Ms. Kovacevic testified that during the briefing, Mr. Morneau requested that youth receive a grant rather than a bursary for their service and suggested the use of a private corporation to disburse the grants.

[94] Following her briefing with Mr. Morneau, Ms. Kovacevic testified that ESDC officials informed her that disbursing grants instead of bursaries would require an organization to issue the grants because the Government had reached its capacity with the disbursement of the Canada Emergency Response Benefit and Employment Insurance. Ms. Wernick testified that the involvement of a private corporation was less than ideal. Rather, an organization with experience with youth would be preferable to ensure the success of the program. According to documentary evidence, at that time ESDC officials were exploring the possibility of having university groups disburse the bursaries or grants given that the purpose of the new national service program was to assist youth in paying for post-secondary education.

April 19: ESDC official contacts WE

[95] As ESDC officials continued to evaluate the Government's infrastructure and capacity to run and populate a volunteer service matching platform, Ms. Wernick sent an email to Mr. Kielburger indicating that the Government was working on something that might be of interest to WE. Ms. Wernick wrote that there was a small window of opportunity to influence thinking and that she would greatly benefit from Mr. Kielburger's insights. They spoke shortly thereafter.

[96] Ms. Wernick testified that the purpose of her call with Mr. Kielburger was to share the broad terms of the Government's goal of a summer youth service program and to get his reaction as an expert in the area of youth service. They also discussed the current challenges of not-for-profit organizations

during the COVID-19 pandemic. According to Ms. Wernick, Mr. Kielburger indicated that because of the pandemic, volunteering opportunities, which were traditionally done in person, would now have to be completed online. Small not-for-profits with little digital capacity would require support.

[97] It was at this time, according to Ms. Wernick's testimony, that Mr. Kielburger mentioned WE's Social Entrepreneurship proposal. According to her notes of the call, Mr. Kielburger said that their Social Entrepreneurship proposal could be merged with a national service initiative and expanded.

[98] In a June 12 recorded videoconference between Mr. Marc Kielburger and several other participants from various Canadian youth organizations, Mr. Kielburger stated to attendees that the Prime Minister's Office had contacted WE the day after Mr. Trudeau's announcement on student support measures. According to Mr. Kielburger's statement in the video, they inquired whether the organization would be interested in assisting with the implementation of the new CSSG. Mr. Kielburger later stated that he had incorrectly referred to the Prime Minister's Office and that the outreach had come from ESDC officials. In his affidavit, Mr. Kielburger confirmed that he had incorrectly identified the timing of that call as the week of April 26. Rather, the call in question was Mr. Craig Kielburger's April 19 call with Ms. Wernick. This is consistent with both the documentary evidence and Ms. Wernick's testimony.

[99] Mr. Rick Theis, Director of Policy and Cabinet Affairs in the Prime Minister's Office, confirmed that he did not have contact with WE representatives, nor was he aware of anyone else in the Prime Minister's Office having had contact with them at that time. There is no documentary evidence to suggest otherwise.

[100] Following her call with Mr. Kielburger, Ms. Wernick debriefed her departmental officials and Ms. Kovacevic on her call with Mr. Kielburger. In an email to staff in Mr. Morneau's office, Ms. Kovacevic indicated that ESDC officials believed that the Government might be able to use WE as the volunteer-matching third party and use the Government's online infrastructure as the payment mechanism.

[101] After being briefed by Ms. Kovacevic, Mr. Singh emailed Mr. Morneau to inform him that officials with ESDC and the Department of Finance had decided to bring WE "into the fold" as the third party to administer the grants and lead the volunteer matching platform. He wrote that he was strongly supportive and had been engaging with WE. However, Ms. Kovacevic testified that no decision about WE was made at this time.

April 19: ESDC's initial proposal for a national service program is shared

[102] Following Ms. Wernick's April 19 call with Mr. Kielburger, and after completing an analysis of the Government's infrastructure and capacity to run and populate a volunteer matching platform, ESDC officials drafted a proposal for a modest expansion of the Canada Service Corps, with up to 15,000 micro-grants. It included the proposed development of the *I Want to Help* website, a web-based volunteer matching platform and a program rewarding hours volunteered.

[103] As a consideration, it was noted in ESDC’s proposal that to enhance the reach of more youth, ESDC would explore the potential for youth-serving organizations to direct more youth to the platform, including through its social media channels. WE served as an example of an organization that had a large social media following.

[104] The proposal suggested that large numbers of not-for-profits were closing their doors and that many were operating with limited resources. As a result, supporting the integration of volunteers would require time and resources that were already stretched. Furthermore, post-secondary aged youth would likely be more interested in—and gain more meaningful experience from—structured volunteering opportunities rather than opportunities that involved unskilled manual labour. However, those types of opportunities would require more support from the volunteer organization.

[105] As a result, ESDC officials suggested using WE’s Social Entrepreneurship proposal of 8,000 placements to populate the volunteer matching platform as it would provide more meaningful learning experiences for students and would draw on medium and large businesses rather than taxing not-for-profit organizations.

[106] Ms. Wernick testified that given the sense of urgency to develop a suitable program, ESDC officials believed that some of the structure of WE’s Social Entrepreneurship proposal could be adapted and used towards the expansion of the Canada Service Corps’ micro-grants program. Ms. Wernick also testified that ESDC officials believed that WE could assist both youth and not-for-profits in delivering digital service opportunities.

[107] On April 19, Ms. Wernick shared ESDC’s proposal, along with WE’s Social Entrepreneurship proposal, with another ESDC official and with Ms. Kovacevic, who then forwarded Ms. Wernick’s email to Mr. Singh.

April 20: WE contacts the public service following its call with Ms. Chagger

[108] On April 20, Ms. Marquez emailed the Director General of the Canada Service Corps, who had contacted her in preparation for Ms. Chagger’s April 17 call with WE, to provide an update of the call.

[109] In her email, Ms. Marquez wrote that Mr. Kielburger had provided Ms. Chagger an overview of WE’s current COVID-19 digital programming for service-learning and mental well-being. According to Ms. Marquez, Ms. Chagger expressed an interest in exploring ways to adapt the Social Entrepreneurship proposal to include a service component. Ms. Chagger also suggested that WE consider opening a service stream for youth who were not well supported through virtual mentorship and who were looking for micro-grants to advance their projects. According to Ms. Marquez, as a next step, Ms. Chagger expressed her willingness to connect WE with her staff and identify tangible ways to move the opportunity forward. Ms. Marquez wrote that she had shared WE’s proposal with several officials, including Ms. Wernick, and that she had yet to hear back from anyone.

[110] The Director General forwarded Ms. Marquez’s email to Ms. Wernick and asked if they should follow-up. In her reply, Ms. Wernick instructed the official to inform Ms. Marquez that things were still evolving. Ms. Wernick further wrote that the matter was in the hands of Department of Finance officials who needed to indicate whether there was interest prior to involving WE.

April 19 to April 21: WE contacts Mr. Morneau's ministerial staff

[111] On April 19, following Mr. Kielburger's discussion with Ms. Wernick, Ms. Marquez emailed Mr. Singh and another staff member from Mr. Morneau's office to indicate that they had been approached by a senior ESDC official regarding a potential youth funding announcement, likely under the Canada Service Corps. Ms. Marquez also noted that the program seemed rushed and uncoordinated, but that nonetheless she believed WE could help.

[112] In his reply, Mr. Singh apologized for any confusion the conversation with Ms. Wernick may have caused. He also raised WE's Social Entrepreneurship proposal, indicating that he had heard from Ms. Wernick that WE could increase the 8,000 placements as well as the number of participants. Mr. Singh asked how much it would cost to increase the 10-week digital program to 20,000 placements and asked that Ms. Marquez relay to him the specifics.

[113] In an April 20 email to Ms. Kovacevic, Mr. Singh informed her that he had spoken with the team at WE and that they were happy to rework their original Social Entrepreneurship proposal into a summer program, offering 20,000 service positions for \$12 million, to fully meet the objective of a national service initiative. He wrote that he had spoken to WE at a high level on the need for a third party to administer a monetary incentive, should the Government decide to provide one.

[114] Ms. Kovacevic testified that she understood Mr. Singh's email to mean that he believed the opportunities offered through WE's Social Entrepreneurship proposal could be used to populate the *I Want to Help* volunteer matching platform. However, Mr. Singh testified that he asked WE to rework its proposal as a concept exercise allowing the Government to understand how a national service program could be administered, particularly the tracking of completed volunteer hours. In his email, Mr. Singh also noted that WE would provide a new proposal shortly and that as soon as policy approvals were received, ESDC should reach out and bring the organization "into the fold." Ms. Kovacevic thanked Mr. Singh for keeping the relationship with WE "strong." When asked what she meant by her comment, Ms. Kovacevic testified that, to the best of her recollection, she believes it may have been due to a worry of having limited options and wanting to ensure that the Government nurtured that relationship.

[115] In an early morning email on April 21, Ms. Marquez submitted to Mr. Singh WE's new Youth Summer Service proposal. In her email, Ms. Marquez stated that the proposal offered to turn the 10-week digital program from their original Social Entrepreneurship proposal into a national digital service program which would enable 20,000 young Canadians to engage in summer service placements and projects during the COVID-19 crisis, at a cost of \$12 million. Mr. Singh testified that he did not assess or analyze the new proposal nor did he speak with Mr. Morneau about the proposal.

[116] Mr. Singh then forwarded WE's Youth Summer Service proposal to staff in the Prime Minister's Office. Mr. Singh also testified that he did not speak to staff in the Prime Minister's Office about WE's new proposal.

April 21: Mr. Morneau is briefed on the Canada Student Service Grant

[117] On April 19, Department of Finance officials provided Mr. Morneau with a draft memorandum relating to the proposed student support measures, which included four funding notes (annexes 1 to 4) for the Minister of Finance's approval and supporting materials for information purposes only (annexes 5 to 9). On April 20, the memorandum and related annexes were shared with officials in the Privy Council Office and staff in the Prime Minister's Office.

[118] On April 21, Mr. Morneau received a briefing from Department of Finance officials on the draft April 19 memorandum and the nine annexes.

Annex 1: Expansion of youth employment and job skills programming

[119] The note related to a broader expansion of existing federal programs, such as the Canada Service Corps, by increasing youth volunteer activities and the number of micro-grants available through the Canada Service Corps, and creating the *I Want to Help* volunteer matching platform to support broader efforts to help young people pursue national service opportunities.

[120] As a consideration, it was noted that to enhance the volunteer matching platform's reach to more youth, ESDC would explore the potential help of youth-serving organizations, including through their social media channels. WE was offered as an example of an organization with a large social media following.

[121] It was recommended that Mr. Morneau approve \$112 million to expand the Canada Service Corps, which included \$2 million to support the *I Want to Help* volunteer matching platform.

Annex 4: The Canada Student Service Grant

[122] This note related to the new CSSG, a proposal to incentivize youth and students to volunteer and contribute to the COVID-19 response and to address areas of need in their communities. According to the document, the call-to-action would be accompanied by the launch of the new *I Want to Help* volunteer matching platform, which would support broader efforts to help young Canadians pursue national service positions, as outlined in Annex 1 relating to the Canada Service Corps.

[123] The note also outlined the potential benefits and drawbacks of launching the program during the summer. It noted that a late summer launch would provide more time to make decisions about the delivery mechanism and related options. However, given the limited alternatives and the interest in quickly rolling out the CSSG, a third party to administer the grants was deemed the best option. Officials stated that the delivery agent should be partnered with an organization knowledgeable about the volunteer sector, such as WE.

[124] Department of Finance officials noted that further work on Annex 4 was required because of significant concerns with the target beneficiaries, the potential cost, and how the program compared to other proposed youth measures.

[125] Department of Finance officials recommended that if there was an interest in a near-term announcement, only basic information about the grant should be given. They also recommended setting aside \$900 million for the initiative based on preliminary estimates and an additional \$100 million for the implementation and the associated costs of a broader portal and public awareness campaign.

Officials noted that should Mr. Morneau agree with the recommendation, they would work to scope the delivery mechanism and seek a funding decision on outstanding elements, including how a third party would be selected and the approximate cost to administer the grant.

[126] On April 21, Mr. Morneau signed the decision page approving Annex 1, and verbally approved the recommendation to set aside funds for the program as set out in the decision page relating to Annex 4.

[Annex 9: WE's Social Entrepreneurship proposal](#)

[127] As part of the supporting information to the memorandum, Department of Finance officials included WE's original Social Entrepreneurship proposal that had been submitted to Ms. Ng on April 9. The Department of Finance advised that given the interest in encouraging youth to contribute to the COVID-19 response, it was assessing the proposal in the context of the CSSG option outlined in Annex 4 as well as the Canada Service Corps' proposed volunteer matching platform outlined in Annex 1. It was the Department of Finance's view that there might be merit in a phased approach to the implementation of a broader service initiative, given public health constraints. The note indicated that a more fulsome briefing could follow should Mr. Morneau be interested in further analysis of the proposal.

[128] According to Mr. Morneau, to the best of his knowledge this was the first time WE was identified in his briefing materials related to student support measures. Ms. Kovacevic's testimony corroborated Mr. Morneau's version of events.

[129] Ms. Kovacevic testified that given time constraints, WE's Social Entrepreneurship proposal had not been analyzed or assessed at that time. According to Ms. Kovacevic, Mr. Morneau was not given any details about the proposal during his briefing. He was simply informed that they had received the proposal.

[130] Mr. Morneau stated that he did not make any decision in relation to the Social Entrepreneurship proposal. Nothing in the documentary evidence indicates that Mr. Morneau approved or provided direction on this initiative. Ms. Kovacevic further testified that Mr. Morneau did not give any instructions regarding WE during the briefing, he did not request a further briefing on the Social Entrepreneurship proposal, nor did he ever mention the proposal to her.

[131] Ms. Kovacevic said that it was following her briefing to the Minister that she realized they had failed to ask Mr. Morneau his intentions for the Social Entrepreneurship proposal. In an email to Mr. Singh seeking confirmation of Mr. Morneau's decisions, Ms. Kovacevic also inquired whether the Department of Finance should set aside funding for the proposal. Mr. Singh replied that he was still waiting for confirmation from the Prime Minister's Office, but that they should put in a \$12 million placeholder, and forwarded to Ms. Kovacevic WE's new Youth Summer Service proposal, which Ms. Marquez had forwarded to him earlier that day.

[132] Mr. Singh testified that he did not receive any confirmation from Mr. Morneau or the Prime Minister's Office on WE's Social Entrepreneurship proposal and that he himself made the decision to have Ms. Kovacevic include a statement in the Annex 4 that the proposal had been approved for funding by Mr. Morneau.

[133] When asked if WE's Youth Summer Service proposal had been presented to Mr. Morneau during the briefing, Ms. Kovacevic stated that at that time she had not read either of WE's proposals and as such would not have given the Minister any details. Having not analyzed or assessed WE's original Social Entrepreneurship proposal or read its new Youth Summer Service proposal, it would appear that Department of Finance officials were not aware at that time that they were two distinct proposals.

[134] According to the Privy Council Office, shortly after Mr. Morneau's April 21 briefing, a senior official with the Department of Finance communicated to Privy Council Office officials the understanding that Mr. Morneau had approved funding for WE's Social Entrepreneurship proposal. The Privy Council Office was unable to provide a record of this communication.

[135] On the evening of April 21, Ms. Kovacevic forwarded to Mr. Singh the Decision page for Annex 4, which included the Minister's approval to set aside \$900 million for the CSSG and a provisional line for \$12 million for WE's Social Entrepreneurship proposal. Ms. Kovacevic testified that the recommendation to fund the proposal was included in the Annex 4 with the understanding that it could be taken out if Mr. Morneau was not in agreement.

[136] A notional line for \$12 million for WE was also included in the budget breakdown of the CSSG and communication products that were drafted in support of Mr. Trudeau's upcoming announcement relating to student support measures.

[137] Mr. Singh admitted that the provisional line of \$12 million for the Social Entrepreneurship proposal should not have been included and, given that he had not received confirmation to include it from either the Prime Minister's Office or from Mr. Morneau, he should have ensured that it had been removed prior to the annex being shared with the Privy Council Office. Mr. Singh testified that they were moving at a very fast pace and that it was a mistake for which he took responsibility.

[138] According to Mr. Morneau, he never saw the version of Annex 4 with the statement that WE's Social Entrepreneurship proposal be funded. This is consistent with Ms. Kovacevic's testimony as well as documentary evidence which shows that Mr. Singh requested to his colleagues in the Minister's office that Annex 4 be held and that it not be sent to Mr. Morneau as it required additional work.

[139] Ms. Kovacevic admitted that given the speed at which they were moving, mistakes were made. According to Ms. Kovacevic, in a normal process, a minister would have signed off on any funding decision prior to an announcement rather than simply give verbal approval, meaning there would have been written confirmation of the decision.

April 21: Mr. Trudeau is briefed on the student support measures

[140] On April 21, Mr. Trudeau was briefed by his staff on the April 19 draft memorandum and supporting annexes relating to the student support measures prepared by the Department of Finance for Mr. Morneau.

[141] According to Mr. Trudeau, there was still no mention of WE playing a role, as far as he was aware. Mr. Trudeau's impression remained that the Canada Service Corps would likely be expanded to help deliver the program. Mr. Trudeau hoped that the Canada Service Corps' development could be accelerated if it was made responsible for the CSSG.

[142] Mr. Trudeau did not recall reading Annex 9 relating to the Social Entrepreneurship proposal, or otherwise being made aware of it during the April 21 briefing.

[143] Mr. Theis, who participated in the briefing, testified that Mr. Trudeau was given the broad concept of the national service program: that a student who did not qualify for the Government's new Emergency Relief Benefit could apply for and receive a stipend for completing a pandemic-related volunteering activity. Mr. Theis said that the program concept had not yet been developed.

[144] Mr. Theis said that WE's potential participation was not mentioned during the briefing, nor was WE's Social Entrepreneurship proposal. Mr. Theis further testified that neither Mr. Trudeau nor his Chief of Staff, Ms. Katie Telford, gave any instructions relating to WE's involvement in the new national service program.

[145] On April 21, Ms. Chagger's staff received their first briefings from ESDC officials, Mr. Morneau's office and the Prime Minister's Office on the student support measures that would be announced the following day. ESDC officials gave details on the *I Want to Help* volunteer matching platform and the expansion of the Canada Service Corps. Staff from Mr. Morneau's office and the Prime Minister's Office both provided Ms. Chagger's staff with an overview of the overall support measures relating to youth, and the new monetary incentives that would be offered for completed national service. According to documentary evidence, staff then briefed Ms. Chagger.

April 22: Mr. Trudeau announces student support measures

[146] On April 22, 2020, Mr. Trudeau announced a series of proposed measures to provide financial assistance to post-secondary students and recent graduates in response to the COVID-19 pandemic. Among them was the new CSSG, which would provide up to \$5,000 to eligible students who volunteered during the summer in support of the COVID-19 response. He also announced a new *I Want to Help* web-based volunteer matching platform by ESDC, which would allow students to find volunteer opportunities to contribute to the COVID-19 response in their community.

[147] According to Mr. Morneau, although his office was not primarily responsible for developing the CSSG, his staff remained involved in the file following Mr. Trudeau's announcement because of his office's responsibility to track appropriate allocation of funding. Documentary evidence shows that Mr. Singh continued to engage across the Government and with WE representatives on the CSSG project.

April 22: Mr. Craig Kielburger submits WE's new Youth Summer Service proposal

[148] Following the Prime Minister's announcement, Mr. Craig Kielburger sent WE's Youth Summer Service proposal, which Ms. Marquez had originally sent to Mr. Singh on April 21, to several government officials including Ms. Wernick and the Privy Council Office, as well as several ministers such as Mr. Morneau, Ms. Ng and Ms. Chagger, the Office of the Deputy Prime Minister, and the Office of the Minister of Innovation, Science and Industry. Staff in the Prime Minister's Office also received the proposal from the Privy Council Office. The Prime Minister's Office had previously been forwarded a copy by Mr. Singh on April 21.

[149] In his email, Mr. Kielburger wrote that WE's new Youth Summer Service proposal included a three-month summer opportunity to engage 20,000 young people to participate in service projects, while allowing them to earn a stipend to fund their post-secondary studies or personal needs. Mr. Kielburger also included WE's original Social Entrepreneurship proposal which, according to Mr. Kielburger, could be implemented alongside the Youth Summer Service proposal or as a second stream.

[150] On the same day, Ms. Marquez resubmitted WE's two proposals to Mr. Singh. Ms. Marquez indicated that Mr. Kielburger had shared them with several ministers that morning. Mr. Singh forwarded Ms. Marquez's email to Ms. Kovacevic and provided introductions. In his email, Mr. Singh informed Ms. Kovacevic that he and Ms. Marquez had spoken earlier that day about the 20,000 positions proposed in WE's new Youth Summer Service proposal that could help launch the CSSG. Mr. Singh further wrote that he hoped Ms. Kovacevic would quickly touch base with Ms. Marquez.

April 23: ESDC begins discussions with WE

[151] Ms. Wernick testified that it was following Mr. Trudeau's announcement, on April 23, that ESDC officials learned about the new CSSG program in greater detail from Ms. Kovacevic and other Department of Finance officials. According to Ms. Wernick, the proposed program was very ambitious and much bigger than what ESDC officials had initially proposed with the Canada Service Corps expansion. Ms. Kovacevic asked ESDC officials to put forward a proposed design and delivery plan for the CSSG, with a mid-May 2020 launch.

[152] Ms. Wernick testified that because the CSSG was to be a summer program launching in mid-May, officials with ESDC and the Department of Finance determined that the involvement of a third party to administer the entire program was necessary. Ms. Wernick added that in order to provide service opportunities to as many youth as possible, it would not be feasible for the Government to deliver this program in a timely manner.

[153] Ms. Wernick also testified that it was at this time that WE was identified as a potential administrator for the CSSG as the organization had the capacity to pay the grants, and the organization had submitted its Youth Summer Service proposal which could potentially be used as the basis for the CSSG.

[154] Following their discussion of April 23, Ms. Kovacevic informed Ms. Wernick that the Minister of Finance's office confirmed that ESDC officials should be "courting" WE. However, they should not announce any confirmation of funding for their Youth Summer Service proposal as the Prime Minister had not yet signed off on the matter. Ms. Wernick testified that she took Ms. Kovacevic's email as a green light to begin discussions with WE on their possible administration of the CSSG. Ms. Kovacevic testified that given Mr. Morneau had only approved the \$900 million set aside for the CSSG, and that no other specifics had been approved, Ms. Wernick should not make any commitments while speaking with WE.

[155] On April 24, Ms. Wernick and Ms. Kovacevic spoke with Mr. Kielburger and Ms. Marquez. The government officials gave details about the new CSSG and asked that WE submit a full proposal to administer the program, which would include additional details such as an implementation plan, a budget and timelines.

[156] Documentary evidence shows that ESDC officials began working closely with WE to develop a large-scale proposal pursuant to which WE would be tasked with the sole administration of the CSSG, subject to the approval of Ms. Chagger.

April 26: Mr. Morneau has a discussion with Mr. Craig Kielburger

[157] According to Mr. Morneau, as part of outreach efforts to not-for-profit organizations and businesses to discuss the impact of the pandemic on their sectors, he contacted Mr. Craig Kielburger on April 26. Mr. Morneau indicated that he and Mr. Kielburger did not discuss the CSSG or WE's Social Entrepreneurship proposal.

[158] Mr. Kielburger stated that he and Mr. Morneau mostly spoke of the effects of the pandemic on the not-for-profit sector and discussed the pandemic itself. Mr. Kielburger noted that he raised in passing his discussion with Ms. Ng about the Social Entrepreneurship proposal.

[159] Following their call, Mr. Kielburger emailed Mr. Morneau, thanking him for the call, and sent him two documents relating to the pandemic that Mr. Kielburger had referenced during their conversation. Mr. Kielburger did not raise the Social Entrepreneurship proposal in the email.

[160] Mr. Kielburger confirmed that he did not have any further discussions or communications relating to the Social Entrepreneurship proposal with Mr. Morneau following their April 26 call.

[161] On April 27, Ms. Kovacevic wrote to Ms. Wernick: "I know that my min has been speaking with WE. Lots of convo going on. There is huge interest from my end." Ms. Kovacevic testified that her reference to "my min" was a reference to the many discussions between Mr. Singh and Ms. Marquez taking place during that time. However, she testified that she did not believe Mr. Singh was attempting to engineer WE as the administrator of the CSSG. Ms. Kovacevic further testified that at no time during their briefings did Mr. Morneau speak about WE. According to Ms. Kovacevic, Mr. Morneau's priority was about the pandemic and about quickly putting measures into place that would support youth.

April 28: ESDC develops the CSSG proposal

[162] On April 28, ESDC officials provided Ms. Chagger's office with a proposed design and delivery plan of the expansion of the micro-grants program of the Canada Service Corps and the CSSG.

[163] With respect to the CSSG, the proposal recommended three elements: a service grant for youth who volunteered; the creation of the *I Want to Help* portal to help youth find service placements and volunteer opportunities and track the hours volunteered; and a third party to disburse the grants.

[164] With respect to the *I Want to Help* portal, the proposal outlined that ESDC did not have, at that time, the capacity to collect and translate the volunteer opportunities and verify their quality prior to the release of the online platform. As such, it was recommended that identification and validation of

volunteer opportunities be undertaken by a third party. Leveraging networks across the country, the third party would rapidly compile volunteer opportunities and turn them into a database that it could also monitor for quality control purposes.

[165] The proposal also noted that distribution of funds created significant challenges for ESDC as there was no mechanism in place at that time to deliver this type of a grant directly to a large number of youths. According to the proposal, there would also be legal and authority issues associated with direct payment of grants directly by ESDC. As a result, for speed and simplicity of delivery, it was recommended that a third-party organization administer and disburse the grants.

[166] The proposal outlined the three areas where a third party was required to ensure a mid-May launch: grant administration, creating additional service placements, and supporting the platform by seeking and vetting new opportunities. The proposal noted that while various third-party options were being considered, there were few organizations who were able to perform all three functions or had the necessary expertise to work with youth.

[167] ESDC officials noted that WE had put forward a proposal that aligned with the CSSG model. Specifically, WE was in a position to help provide 20,000 placement opportunities, assist in populating the portal by working with its network to seek new opportunities, perform a clearinghouse function and vet opportunities based on the criteria provided, and administer the grants to each recipient.

April 30: The CSSG proposal is discussed at a “four corners” meeting

[168] On April 30, Privy Council Office officials organized a “four corners” meeting to discuss the CSSG. Mr. Theis testified that he requested the meeting in order to receive a briefing from officials on their plan for the implementation of the CSSG. Participants included officials from the Department of Finance, ESDC and the Privy Council Office, as well as ministerial staff from the Prime Minister’s Office and Ms. Chagger’s office.

[169] In preparation for the discussion, ESDC officials provided the CSSG proposal and a document of key issues for discussion in relation to the CSSG. The document outlined the eligible individuals and service opportunities, the *I Want to Help* volunteer matching platform and the grant amounts and payments.

[170] According to the notes taken by Privy Council Office officials and the minutes of the meeting, attendees asked questions relating to the eligibility of participants, equity concerns, and the various grant levels depending on hours of service completed. No questions relating to WE’s administration of the CSSG were raised during the meeting.

April 29 to May 1: Mr. Morneau’s staff advocate for WE’s Social Entrepreneurship proposal

[171] Documentary evidence shows that while Mr. Kielburger and Ms. Marquez worked with ESDC officials to develop a proposal for the administration of the CSSG, they continued to seek funding for their original Social Entrepreneurship proposal. Records also show that Mr. Singh assisted Ms. Marquez in accessing ministerial offices by introducing her to staff members and giving the contact information of ministerial staff, such as staff in Ms. Chagger’s office and the Prime Minister’s Office.

[172] On April 29, Ms. Marquez emailed a staff member in Ms. Chagger's office requesting a meeting to discuss the possibility of receiving funding for their original Social Entrepreneurship proposal, indicating that Mr. Singh had provided her with the contact information. Ms. Chagger's staff forwarded Ms. Marquez's email to Mr. Singh and asked him about the purpose of the referral. In his reply, Mr. Singh spoke of WE's Social Entrepreneurship proposal and suggested it could be incorporated into current endeavours relating to the Canada Service Corps and the CSSG.

[173] Ms. Chagger's staff replied to Mr. Singh that they did not see a role for the Social Entrepreneurship proposal. According to Ms. Chagger, the subject of the proposal fell outside her ministerial portfolio and no further action was taken by her office. There is no documentary evidence to suggest otherwise.

[174] In a May 1 email to Mr. Singh, a staff member in Ms. Ng's office wrote that they had spoken with Mr. Kielburger the previous day and that Mr. Kielburger indicated that the Finance Minister's office was supportive of the Social Entrepreneurship proposal. Ms. Ng's staff asked Mr. Singh for some context.

[175] In his reply, Mr. Singh confirmed that WE's original Social Entrepreneurship proposal had the support of the Minister of Finance's office. He also wrote that the proposal would be useful for the next phase of the pandemic response and asked whether there was an existing policy or program to help house the proposal in Ms. Ng's department or if a new framework would need to be developed. Ms. Ng's staff informed Mr. Singh that officials had conducted an analysis of the proposal and felt that it was more geared towards ESDC. Ms. Ng's staff further wrote that they would take Mr. Singh's feedback on the proposal and discuss it with their colleagues. It does not appear that Ms. Ng's office took any further steps with respect to WE's Social Entrepreneurship proposal.

[176] Mr. Singh testified that he was speaking on behalf of the Finance Minister's office when he told Ms. Ng's staff that the proposal had its support. According to Mr. Singh, while Mr. Morneau had not given his support of WE's proposal, nor had he given Mr. Singh any direction with respect to the proposal, he had raised with Mr. Singh the importance of having as many youth as possible involved and gaining work experience. Mr. Singh believed WE's proposal offered a good program which could have a meaningful impact for young people and, as a result, raised it with other ministerial offices.

[177] According to Messrs. Marc and Craig Kielburger, at no time did they, or anyone else with WE, receive any assurances that their Social Entrepreneurship proposal would be funded by the Government.

May 1: WE provides an updated proposal

[178] On May 1, Mr. Craig Kielburger provided ESDC officials with an updated proposal which outlined how WE would administer the CSSG. The proposal was also shared with Ms. Chagger's staff. The proposal outlined the budget for the delivery of funds to three cohorts of 20,000 students. The cost of delivery for the first cohort of students was projected to be \$19.5 million; the following two cohorts were forecast to cost \$13.77 million each.

[179] In the proposal, Mr. Trudeau's spouse and mother were listed as two of WE's Canadian celebrity ambassadors.

[180] At this point in time, the inclusion of Mr. Trudeau's spouse and mother as celebrity ambassadors in WE's proposal did not appear to raise any concerns with respect to a potential conflict of interest for Mr. Trudeau.

May 1: The Privy Council Office's memorandum to the Prime Minister on student support measures

[181] On May 1, Privy Council Office officials provided a memorandum for the Prime Minister with respect to the Minister of Finance's April 21 decisions relating to student support measures. The memorandum sought confirmation of the Prime Minister's decision on policy and funding authority to implement supports for Canadian youth and students, which Mr. Trudeau had announced on April 22.

[182] With respect to the Canada Service Corps and the CSSG, Privy Council Office officials supported the Minister of Finance's decision.

[183] With the understanding that Mr. Morneau had approved the funding of \$12 million for WE's Social Entrepreneurship proposal, the memorandum included a recommendation relating to that proposal. According to the note, which was approved by Mr. Ian Shugart, Clerk of the Privy Council and Secretary to the Cabinet, officials recommended against funding WE's Social Entrepreneurship proposal because in their view the proposal would not support the broad range of students impacted by the pandemic, notably students from vulnerable populations. Officials recommended that should there be a desire to fund such a proposal as part of broader supports to students, further analysis and work would be required with a view to a more inclusive initiative.

[184] It would appear that Privy Council Office officials were unaware that the \$12 million related to WE's new Youth Summer Service proposal rather than the original Social Entrepreneurship proposal.

[185] According to the Privy Council Office, interactions on the Social Entrepreneurship proposal were limited to Department of Finance officials. There were no discussions between the Privy Council Office and Mr. Morneau or his staff regarding this proposal, nor any other minister or their staff.

[186] Officials with the Privy Council Office prepared a written memorandum for the Prime Minister but had also verbally advised staff in the Prime Minister's Office on the overall student aid package. The Privy Council Office recommended against funding the Social Entrepreneurship proposal. According to Mr. Shugart, there were no further discussions with the Prime Minister on the proposal.

[187] Mr. Theis testified that he recalled Privy Council Office officials raising the same concern that they had expressed in the memorandum.

[188] According to Mr. Morneau, he was unaware of the existence of the May 1 memorandum, as neither he nor Department of Finance officials were privy to memoranda to the Prime Minister. Mr. Morneau was surprised to learn that the statement relating to WE's Social Entrepreneurship proposal had been included in the memorandum. Mr. Morneau confirmed that he would not have provided any such confirmation to the Privy Council Office, nor was he aware as to how or why this statement was made as he had never approved any such funding.

May 5: ESDC's implementation proposal for the CSSG is presented at the Cabinet COVID Committee

[189] On May 3, an Order in Council was approved providing Ms. Chagger with the authorities over the CSSG. On May 5, Ms. Chagger approved ESDC's proposal for the implementation of the CSSG.

[190] During the pandemic, the normal work of Cabinet committees was suspended in favour of a single Cabinet committee focused on responding to the pandemic: the Cabinet Committee on the federal response to the coronavirus disease (COVID-19) (Cabinet COVID Committee). Members included ministers Qualtrough and Morneau; the Honourable Navdeep Bains, Minister of Innovation, Science and Industry; the Honourable Patricia Hajdu, Minister of Health; the Honourable Mélanie Joly, Minister of Economic Development and Official Languages; the Honourable Bill Blair, Minister of Public Safety and Emergency Preparedness; the Honourable Chrystia Freeland, Deputy Prime Minister of Canada; and the Honourable Jean-Yves Duclos, President of the Treasury Board.

[191] On May 5, Ms. Chagger and Ms. Qualtrough went before the Cabinet COVID Committee to present the CSSG proposal developed by ESDC officials. They were asked to jointly present the proposal as post-secondary education matters fell within Ms. Qualtrough's portfolio while the Canada Service Corps fell within Ms. Chagger's portfolio.

[192] The proposal outlined that the successful implementation of the CSSG required the support of a third-party organization, given the short timeframe to implement the program, as well as a large number of diverse volunteering opportunities already available to youth at launch. For this reason, ESDC recommended funding WE. According to Ms. Chagger, because the federal public service was recommending WE for the administration of the program, she did not believe the matter raised conflict of interest concerns.

[193] According to the minutes of the meeting, committee members expressed support for the proposed program. At the same time, they sought clarification on program design parameters and noted implementation challenges relating to WE. Observations of possible challenges included the ability of WE to implement a national program in a short timeframe, the organization's capacity to address the anticipated volume and to ensure the integrity of grant administration and payment to post-secondary students. In particular, one of the ministers in attendance raised concerns with WE's reach in Quebec and concerns about the cost of the program.

[194] The Cabinet COVID Committee members approved the proposal in principle.

[195] According to Mr. Morneau, he was not in attendance for the May 5 meeting and did not discuss the proposal with officials or Cabinet colleagues prior to it being presented. He was briefed on the outcome of the meeting on May 7.

May 5: The Prime Minister's Office speaks with WE representatives

[196] On May 5, Mr. Theis and WE representatives had a telephone discussion after Mr. Singh provided Ms. Marquez with introductions to staff in the Prime Minister's Office.

[197] According to Mr. Marc Kielburger, during the call, he, his brother and Ms. Marquez discussed WE's proposal for the administration of the CSSG. They requested further information from Mr. Theis on the policy framework and structure that the Government wished to implement, to ensure that the program could be implemented successfully.

[198] Mr. Theis testified that, at the end of their discussion, Messrs. Kielburger and Ms. Marquez raised the Social Entrepreneurship proposal. According to Mr. Theis, he suggested that they discuss their proposal with the appropriate department.

[199] Following their discussion, Mr. Craig Kielburger emailed Mr. Theis WE's proposal for the administration of the CSSG and included their Social Entrepreneurship proposal. Mr. Kielburger asked that Mr. Theis provide him with names of individuals with whom to discuss their Social Entrepreneurship proposal to ensure that it was included in future economic recovery efforts. Mr. Theis testified that he did not provide Mr. Kielburger with any names.

[200] Both Mr. Theis and Messrs. Kielburger confirmed that they had no further discussions. Messrs. Kielburger also confirmed that there were no further discussions with any other staff in the Prime Minister's Office, nor did they ever have any discussions with Mr. Trudeau, regarding the Social Entrepreneurship proposal or the CSSG. Mr. Trudeau confirmed he did not personally communicate with any WE representative to discuss the CSSG or the Social Entrepreneurship proposal. I did not find any evidence to the contrary.

May 7: Mr. Morneau receives an update on the CSSG

[201] In a May 7 email to Mr. Morneau, Mr. Singh indicated that the CSSG proposal was heading to Cabinet the following day, as directed by the Prime Minister's Office. Mr. Singh also wrote that in large measure, the proposal was right where the Department of Finance and the Prime Minister's Office had framed the item to be, and that WE, who was noted as the desired third party, had been endorsed by the Prime Minister's Office. According to Mr. Singh, the Prime Minister's Office had endorsed WE by allowing the proposal to be presented at Cabinet.

[202] Mr. Theis testified that he and other staff in the Prime Minister's Office made the decision to have the proposal go to full Cabinet in order for the proposal to be ratified, something the Cabinet COVID Committee could not do. Mr. Theis also stated that items of prominence discussed at the Cabinet COVID Committee were also to be raised in full Cabinet to allow all ministers the opportunity to have a line of sight on important matters.

[203] In a May 7 email to Ms. Wernick, Ms. Kovacevic wrote that WE was connecting with Mr. Morneau's office. Ms. Kovacevic used the term "besties" to categorize the relationship between the organization and her minister. She further wrote that she did not want Mr. Morneau's office to get ahead of Ms. Wernick and had informed Mr. Morneau's staff that they should tell WE that Ms. Wernick was the point of contact. When asked to explain why she used the term "besties," Ms. Kovacevic testified that she did not use the term to describe a special relationship, but rather to indicate that there had been ongoing interactions. Ms. Wernick testified that she took the term to mean that there had been interactions between Mr. Morneau's office and WE. Ms. Wernick said that, in her experience of working in the federal public service, ministers' offices were often in communication with stakeholders and she viewed these types of interactions as appropriate and acceptable.

May 8: Mr. Trudeau is briefed on the CSSG

[204] On May 8, Ms. Chagger was scheduled to present the CSSG proposal before Cabinet.

[205] According to Mr. Trudeau, it was during a pre-Cabinet briefing from his staff that he was first told that the proposal involved a contribution agreement with WE as the third-party organization proposed to deliver the program. Until that time, Mr. Trudeau had not discussed WE in the context of the CSSG and still anticipated that a “supercharged” version of the Canada Service Corps would likely deliver the program.

[206] Mr. Trudeau wrote that he and Ms. Telford questioned why the Canada Service Corps, or another government organization, was not being recommended to deliver the program. Mr. Trudeau and his staff also knew that WE was known to be connected to people within the Government. These people included Mr. Trudeau himself, as he had spoken at WE events in the past. Given the scrutiny that this decision would attract, it was, according to Mr. Trudeau, particularly important to make sure that the process and the resulting decision were the best possible in the circumstances.

[207] According to Mr. Trudeau, both he and Ms. Telford felt that more time was required to study the proposal before it was presented to Cabinet. They wanted an opportunity to consider and understand the reasons underlying the public service’s recommendation that WE deliver the program. Consequently, Mr. Trudeau directed that the item be removed from the Cabinet agenda and that the discussion about it be deferred pending further study.

[208] Mr. Theis testified that he recalled Ms. Telford raising a concern relating to Mr. Trudeau’s family’s relationship with WE, and that both Mr. Trudeau and Ms. Telford made the decision to pull the proposal from the Cabinet agenda because of a lack of understanding of the recommendation that only WE could administer the CSSG and why the Canada Service Corps organizations had not been considered. Mr. Theis testified that as a result, Mr. Trudeau directed his staff to go and gain an understanding of the public service’s recommendation.

[209] According to Mr. Morneau, he was not involved in any discussions to put the presentation to Cabinet on hold, nor did he discuss the matter with the Prime Minister or any colleagues.

[210] In an email to Ms. Chagger’s staff in response to the CSSG not being presented that day, Ms. Wernick shared her concern about the unrealistic expectations of how quickly public servants could launch the CSSG given that another week was lost because the matter was not being presented at Cabinet.

May 13 to May 15: The Prime Minister’s Office requests a further review

[211] On May 13, Ms. Chagger’s staff relayed to ESDC officials the direction received from Mr. Theis relating to the Canada Service Corps and the CSSG, as directed by Mr. Trudeau. ESDC officials were asked to determine whether there was merit in engaging the 12 Canada Service Corps organizations to take on the administration of the CSSG alongside WE.

[212] In a text exchange with Ms. Chagger’s Chief of Staff, Mr. Jamie Kippen, Mr. Theis indicated that it was an exercise in determining the best policy and shared the concern with the cost and the view that only WE could administer the program.

[213] In response, ESDC officials outlined to Ms. Chagger's staff the difficulties Canada Service Corps organizations were currently facing in delivering their existing programs. They also explained that the Canada Service Corps did not have the capacity to take on additional placements and that its programming was not focused on volunteering to help respond to community needs arising from the COVID-19 pandemic, which was the intent of the CSSG.

[214] On May 15, staff in Ms. Chagger's office provided Mr. Theis with an evaluation of the Prime Minister's Office's idea of inviting the Canada Service Corps' national partners to administer the CSSG alongside WE. In an email to Mr. Theis, Mr. Kippen wrote that as the CSSG was outside the scope of the mandated activities of the Canada Service Corps and their participants, ESDC officials strongly recommended against having the Canada Service Corps organizations administer the program. Furthermore, officials stated that having one organization responsible for the disbursement of the grants was necessary to manage financial and legal risks.

[215] Mr. Theis testified that Ms. Chagger's staff conveyed to him ESDC's position that WE was required for the successful administration of the CSSG. When asked if she maintained the public service's position that WE was the only organization that could administer the CSSG, Ms. Wernick testified that given the scope and scale of the program and the speed at which it needed to be developed and operational, she did maintain the position. She testified that had there been additional time for implementation, ESDC officials would have provided different options.

May 15: Mr. Trudeau approves funding for student support measures

[216] On May 15, staff in the Prime Minister's Office provided Mr. Trudeau with a briefing note seeking his approval on the Minister of Finance's funding decisions for the student support measures, part of which included the conditional funding of \$900 million for the CSSG.

[217] The briefing note also outlined the recommendation from the May 1 briefing note from the Privy Council Office, relating to what had been mistakenly believed to be the Minister of Finance's decision to fund \$12 million for WE's Social Entrepreneurship proposal. In the briefing note, staff in the Prime Minister's Office advised Mr. Trudeau that they agreed with Privy Council Office officials' recommendation not to approve funding for the proposal.

[218] Mr. Trudeau concurred with the recommendations of the Privy Council Office to approve the funding of the comprehensive student funding package and to decline the \$12 million in funding for WE's Social Entrepreneurship proposal.

[219] According to Mr. Trudeau, he was not aware of WE's Social Entrepreneurship proposal until he received the May 15 briefing note.

May 21: Mr. Trudeau is briefed on the results of the review of the CSSG

[220] On May 21, Mr. Trudeau was briefed on the results of the review of the implementation of the CSSG ahead of the scheduled Cabinet meeting on May 22. According to Mr. Theis, he informed Mr. Trudeau that public service officials had advised him that they had done the due diligence requested and expressed confidence in their recommendation that WE was the one organization positioned to be able to deliver the specified program in the specified timeframe.

[221] According to Mr. Trudeau, given this due diligence exercise and the assurances provided by the public service, he and his staff were comfortable moving the proposal forward to Cabinet.

May 22: The CSSG proposal is ratified by Cabinet

[222] On May 22, the CSSG proposal was brought to Cabinet in the same form as when it had gone before the Cabinet COVID Committee on May 5.

[223] Ms. Chagger sought authority from Cabinet to provide cash awards through grants of up to \$5,000 for eligible students who participated in pandemic-related national service activities, and funding for WE to support the creation and delivery of service opportunities across Canada.

[224] Cabinet ratified the CSSG proposal subject to final funding approval by the Minister of Finance and the Prime Minister.

[225] According to Mr. Morneau, he supported the final CSSG proposal. On May 29, Mr. Morneau received a formal letter from Ms. Chagger requesting funding for the CSSG and on June 3, he approved in writing Annex 4: Delivery of the CSSG.

May 25 to June 21: The Prime Minister's Office reviews the contribution agreement

[226] Following Cabinet's decision to ratify the CSSG proposal, staff in the Prime Minister's Office requested to review the contribution agreement with WE. Mr. Theis testified that staff in the Prime Minister's Office sought to ensure they had a good understanding of how WE was planning to administer the program.

[227] On May 29, staff in the Prime Minister's Office met with Privy Council Office officials to discuss the contribution agreement with WE. Staff in the Prime Minister's Office noted areas they wanted to see addressed in the agreement with WE, such as including enhanced reporting requirements and regular results reporting on the diversity of students accessing the program.

[228] In a briefing note to Ms. Telford dated June 11, staff in the Prime Minister's Office provided an update on the final draft contribution agreement. In the note, staff outlined the changes to the agreement that had been requested to ensure that the program met the Government's objectives. Staff recommended that the agreement proceed and asked Ms. Telford for her approval to advance the recommendation to Mr. Trudeau. On June 21, Ms. Telford gave her approval.

[229] According to Mr. Trudeau, he did not receive a copy of the contribution agreement and did not have any input in the process of negotiating the agreement. Mr. Theis' testimony corroborated Mr. Trudeau's version of events.

June 22: Mr. Trudeau approves the contribution agreement with WE

[230] According to Mr. Trudeau, on June 15, he received a briefing on the status of the CSSG proposal from Mr. Theis.

[231] Mr. Trudeau was provided with a briefing note on the final policy and off-cycle funding decisions for the CSSG. In the note, staff recommended that Mr. Trudeau provide additional direction regarding oversight of the disbursement of the approved funding to WE for the administration of up to 100,000 volunteer placements with respect to the three tranches that had been determined and the

funding proposed for each tranche. Staff recommended that Mr. Trudeau direct the Minister of Diversity and Inclusion and Youth to write to the President of the Treasury Board to provide an update on the CSSG, prior to drawing down additional funding for the next tranche of placements. On June 22, Mr. Trudeau signed the briefing note provided by his staff, approving the CSSG proposal and the funding of the contribution agreement with WE.

[232] Ms. Chagger signed the contribution agreement with WE on June 23, which included \$19.5 million for the first tranche of 20,000 placements, \$13.53 million for the second tranche of 20,000 placements, and \$10.5 million for a third tranche of up to an additional 60,000 placements, for a total of \$43.53 million.

[233] On June 25, Mr. Trudeau publicly announced the launch of the CSSG and that the program was to be administered by WE.

[234] On July 3, Ms. Chagger announced that the federal government and WE had agreed to part ways.

MR. MORNEAU'S POSITION

[235] With respect to the alleged contravention of subsection 6(1) and section 21 of the Act, Mr. Morneau has acknowledged, from the outset, that he ought to have recused himself from the Cabinet process to approve the CSSG. Mr. Morneau wrote that with the benefit of hindsight, he was able to view his and his family's personal interactions with WE through a different perspective and appreciates that this may have created the appearance of a conflict of interest. Mr. Morneau steadfastly maintained that his family's interactions with WE never had any impact on his decision making. Mr. Morneau confirmed that he always only acted in the interests of Canadians, and never made decisions that intentionally or improperly furthered any other interests. However, he now realizes that he was obliged to consider all his and his family's prior involvement with that organization and to consider how the exercise of an official power, function or duty could create the appearance of impropriety.

[236] Mr. Morneau has also taken full responsibility for not ensuring his personal affairs and accounts were in order. He wrote that this likely would have led him to realize the extent of his and his family's interactions with WE.

[237] Although Mr. Morneau provided a written explanation for the unintentional nature of his errors, he did not wish for those errors to serve as justification for his conduct. Rather, Mr. Morneau expressed his regret for not having abstained from Cabinet discussions and decisions relating to the approval of the CSSG with WE as its administrator, and for not recusing himself formally from those discussions and decisions.

[238] With respect to the alleged contravention of section 7, Mr. Morneau wrote that he did not provide WE preferential treatment. Mr. Morneau believed his engagements with WE were appropriate, cordial and professional, not unlike the many relationships he had in the not-for-profit sector as Minister of Finance and Member of Parliament for Toronto-Centre.

ANALYSIS AND CONCLUSION

Analysis

Decision making and recusal – subsection 6(1) and section 21

[239] I must determine whether Mr. Morneau, in his former capacity as Minister of Finance, contravened subsection 6(1) and section 21 of the Act in relation to his participation in the decisions to recommend funding for WE’s Social Entrepreneurship program and to select WE as the administrator of the CSSG.

[240] Subsection 6(1) of the Act prohibits public office holders from making a decision that would place them in a conflict of interest. It reads as follows:

6. (1) No public office holder shall make a decision or participate in making a decision related to the exercise of an official power, duty or function if the public office holder knows or reasonably should know that, in the making of the decision, he or she would be in a conflict of interest.

[241] Section 4 of the Act describes the circumstances under which a public office holder would be in a conflict of interest for the purposes of subsection 6(1) of the Act. Section 4 reads as follows:

4. For the purposes of this Act, a public office holder is in a conflict of interest when he or she exercises an official power, duty or function that provides an opportunity to further his or her private interests or those of his or her relatives or friends or to improperly further another person’s private interests.

[242] Section 21 of the Act requires public office holders to recuse themselves from certain situations. It reads as follows:

21. A public office holder shall recuse himself or herself from any discussion, decision, debate or vote on any matter in respect of which he or she would be in a conflict of interest.

[243] With respect to the alleged contravention of subsection 6(1), I am satisfied that neither Mr. Morneau’s interests, nor those of his relatives were directly furthered in the matter under review. Mr. Morneau and his family were keenly aware of WE’s domestic and international operations, having witnessed both first-hand.

[244] The purpose of the CSSG was to assist students and youth who had been adversely affected by disruptions caused by the COVID-19 pandemic. Neither of Mr. Morneau’s daughters, whose association with WE was established well before the pandemic struck, were involved in any way with the discussions or decisions surrounding the student support measures. His eldest daughter was asked to speak on several occasions at WE Day events to promote her book, while the youngest was employed in an entry-level position in an affiliate that had no role in the administration of the CSSG. In other words, the connection between WE’s request for funding for its Social Entrepreneurship proposal or its role

with the CSSG and Mr. Morneau's daughters' association with WE is too remote to merit further consideration. Nor was there any evidence suggesting any type of connection between Ms. McCain's association with WE and Mr. Morneau's involvement in the matter under examination.

[245] Mr. Morneau provided me with thousands of pages of documentary evidence detailing the many official and personal communications between WE and his ministerial office since he became a public office holder. This caused me to devote particular attention to the relationship between Mr. Morneau and Mr. Craig Kielburger.

[246] Under the Act, the prohibition against furthering the private interests of a friend is evaluated against the same standard as that of a relative or of the public office holder themselves. It is not necessary to determine the degree of the public office holder's involvement in the decision or whether they were motivated by an improper purpose; the impropriety in such cases is inherent. However, in contrast to a public office holder's relationship with a "relative," which can be verified empirically and objectively, whether a person is a public office holder's "friend" is not as easily discernible.

[247] In the *Watson Report*, Commissioner Dawson examined a similar relationship between a public office holder and a proponent for federal funding in the context of a possible contravention of subsection 6(1) and section 21 of the Act. The examination concerned alleged decisions made by Mr. Colin Watson, a member of the Toronto Port Authority Board of Directors in relation to a proposal to acquire a new ferry. It was alleged that the proponent, Mr. Robert Deluce, was a friend of the Board member.

[248] Commissioner Dawson noted that the term "friend" is not defined in the Act. She added that the word could be applied to a "range of relationships from the closest of lifelong companions to neighbours, colleagues, acquaintances or business associates that one sees only occasionally and where there is little emotional attachment." In her view, the rules against furthering the private interest of a friend was intended to apply to individuals "who have a close bond of friendship, a feeling of affection or a special kinship." This suggests that the circle of friends captured by the Act includes those with whom the relationship is close enough to reasonably call into question the judgment of a public office holder's decision making.

[249] Both individuals belonged to the same social circle and were professional acquaintances. However, they both said they did not solicit each other's company and their families did not socialize together. Despite Mr. Watson's frequent references to Mr. Deluce as his "friend" or "pal," Commissioner Dawson found these to be statements that "likely resulted from a habit of Mr. Watson claiming friendship with a broad range of people with whom he had no particularly close bond."

[250] As the case above illustrates, this Office has traditionally favoured a narrow interpretation of the term "friend" to include only the public office holder's closest personal friends. Colleagues, associates or members of a broad social circle were generally excluded from its application. I believe it is necessary to broaden the scope of the term to capture relationships where personal and professional interactions become intertwined to such an extent that it becomes difficult to draw the line between the two. In such cases, the public office holder's judgment in the exercise of their official powers and duties can also reasonably be impaired.

[251] While the “close bond” descriptor outlined in the *Watson Report* is helpful, an assessment of friendship should also be measured against more objective indicators. In my determination of whether Mr. Morneau and Mr. Kielburger are friends within the meaning of the Act, I examined, among other factors, the duration of and motive for the relationship; the nature, frequency and exclusivity of interactions; the sharing of meals and gifts in a personal setting; and mutual displays of trust, respect, affection or admiration.

[252] Both Mr. Morneau and the Kielburgers wrote that they first met shortly after Mr. Morneau’s appointment to public office, in late 2015 or early 2016. At first blush, the timing suggests the primary motivation of the relationship is one between a constituent and a Member of Parliament, which militates against a finding of friendship. However, I can neither discount the fact that the Morneau family’s social values aligned strikingly with those of the Kielburgers, nor the effect this may have caused on the evolution of the relationship. Mr. Morneau and his family were particularly involved in development projects in Kenya, which coincided with WE’s efforts there and predated his first contact with WE and its co-founders. Mr. Craig Kielburger also struck a relationship with Mr. Morneau’s spouse, a noted philanthropist, and at least one of his children, who had written a book on the experiences of Kenyan schoolgirls. His youngest daughter was later hired by WE. The alignment of values and the multiple family touchpoints undoubtedly facilitated a possible friendship.

[253] The evidence makes clear that Mr. Morneau and Mr. Kielburger were more than passing professional acquaintances or simply members of the same broad social circle. Several email exchanges denote a particular kinship and affection between Mr. Kielburger and the Morneaus. Invitations to WE Day events were personally extended by Mr. Kielburger to the entire Morneau family. On more than one occasion, Mr. Kielburger wrote to Mr. Morneau about the friendship between the two families and praised his daughter’s participation in WE Day events. They addressed each other by their first names, even in correspondence relating to professional activities. Mr. Kielburger shared personal news with Mr. Morneau and Ms. McCain (i.e., the arrival of his child) and spoke fondly of their family members. Mr. Morneau indicated he likely had given Mr. Kielburger a small gift to celebrate the birth of his son. Mr. Morneau also wanted to personally deliver news of funding approval to Mr. Kielburger. On at least one occasion, the families socialized together at the Morneau residence. All these indicators point towards a friendship.

[254] In response to questions by this Office, Mr. Kielburger wrote that he did not consider the Morneaus to be personal friends. He explained that the Morneaus were among a group of individuals during their two family service trips in 2017. However, Mr. Kielburger was in attendance during both trips and had shared a private meal with Mr. Morneau’s spouse and daughter while in Kenya. Mr. Kielburger added that his interactions with Mr. Morneau were always in his professional capacity, including his participation in a Sunday brunch with his family at the Morneaus’ home. However, the evidence shows that Mr. Kielburger sometimes communicated directly with Mr. Morneau using his personal email address. When Mr. Kielburger communicated with other ministers, they were all addressed by their title and last name and through official channels. The tone of those emails differed significantly from his communications with Mr. Morneau.

[255] Mr. Kielburger’s assertion that he does not consider Mr. Morneau or Ms. McCain to be his friends stands in stark contrast to the numerous exchanges between him and members of Mr. Morneau’s family. To an objective reader, these communications are more akin to messages between friends than ones between a constituent and their Member of Parliament. I believe Mr. Kielburger was sincere in his appreciation for the Morneau family’s support and genuine in his displays of affection and respect at that time. I also believe that through these numerous interactions, Mr. Morneau and his family were made to feel as though they had become personal friends with Mr. Kielburger.

[256] Furthermore, this relationship appeared to be common knowledge among ministerial staff in Mr. Morneau’s office, since they viewed Mr. Kielburger as being “important to Bill” and noting that “he has been really good to us.” It also lends credence to Ms. Kovacevic’s characterization of the relationship as one between “besties.”

[257] Consequently, for the reasons outlined above, I find that Mr. Morneau and Mr. Craig Kielburger were friends within the meaning of the Act.

[258] There is no doubt that Mr. Kielburger’s interests would have been furthered had WE administered the CSSG. WE was the lone administrator of the CSSG and would have acquired a significant financial interest for its role. As co-founders, the Kielburgers hold an important interest in WE’s affairs and derive an annual salary from ME to WE. Their involvement in WE’s day-to-day operations is so prevalent that the organization’s interests are also those of its co-founders.

[259] The acquisition of any financial interest by an individual or organization, regardless of whether it ultimately leads to an increase in their assets, is a private interest under the Act. As my predecessor stated in the *Trudeau Report* with respect to a federal grant awarded to the not-for-profit Global Centre for Pluralism, “[a]lthough government funding decisions are generally understood to be made to serve a public interest, this does not negate the fact that any government grant also specifically furthers the private interests of the recipient.”

[260] Mr. Morneau does not dispute the fact that his and his family’s proximity to the WE organization created the appearance of a conflict of interest. As I noted in the *Trudeau III Report*, the appearance of conflict is not captured by the Act’s definition or prohibitions. However, the nature of the interactions between the Morneaus and the Kielburgers differs significantly from the ones examined in the *Trudeau III Report*. The friendship between the two families and the close proximity between the Kielburgers’ and WE’s interests created a potential conflict of interest, which became real when Mr. Morneau was called upon to make a decision that would provide an opportunity to further WE’s private interests. In other words, any decision made by Mr. Morneau that could further the private interests of WE would be made improperly since it would also further the interests of its co-founder, Mr. Kielburger.

[261] Public office holders must arrange their affairs so as to minimize the possibility of conflicts arising and, when in doubt, must take measures to resolve those conflicts in the public interest. This is consistent with the object and spirit of the Act (paragraph 3(b)). In particular, section 21 requires a public office holder to recuse themselves from any discussion, decision, debate or vote on any matter in respect of which they would be in a conflict of interest. A recusal is more than a simple abstention from

voting; it requires the public office holder to physically remove themselves from the location where the matter is being decided, lest their mere presence be seen to influence the decision of other public office holders.

[262] The Act also provides that reporting public office holders must disclose all recusals to the Commissioner. Reporting public office holders must provide sufficient detail to identify the conflict of interest that was avoided. The Act provides that a public declaration to that effect must be posted on the Office's public registry, unless doing so could reveal, directly or indirectly, a confidence of the Queen's Privy Council or other protected information.

[263] I am of the view that Mr. Morneau should have reasonably known, because of his relationship with Mr. Kielburger, that any involvement in a decision regarding WE could place him in a conflict of interest as defined by the Act. This should have sprung to Mr. Morneau's mind when he received the proposal for WE's Social Entrepreneurship program on April 10, 2020, as well as during his subsequent briefings on the progress of the student aid package, when WE's Social Entrepreneurship proposal was again raised and the organization was also mentioned as a possible partner in the administration of the national service program.

[264] On April 19, 2020, when Mr. Morneau was advised that it would be more likely than not that WE would play an important role in the student relief initiative, he should have recused himself from subsequent discussions in accordance with section 21 of the Act and disclosed his recusal to this Office.

[265] Even though no formal decision had yet been made on WE's specific role, Mr. Morneau knew that WE would have to be brought "into the fold" on the student relief package. Accordingly, Mr. Morneau's recommendation to set aside \$900 million in funding for the CSSG on April 21 and his participation in Cabinet discussions on May 22, where he ultimately voted in favour of the creation of the CSSG and the selection of WE as its administrator, provided an opportunity to improperly further WE's private interests because of his friendship with Mr. Craig Kielburger. In so doing, Mr. Morneau placed himself in a conflict of interest.

Preferential treatment – section 7

[266] I must also determine whether Mr. Morneau, in the exercise of his official powers, duties or functions, gave preferential treatment to WE based on the identity of a person who represented WE.

[267] Section 7 reads as follows:

7. No public office holder shall, in the exercise of an official power, duty or function, give preferential treatment to any person or organization based on the identity of the person or organization that represents the first-mentioned person or organization.

[268] I canvassed prior examination reports from this Office for a working definition of preferential treatment since that term is not defined in the Act. This Office has adopted a definition of preferential treatment as "treatment more favourable than might be accorded to anyone else in similar circumstances." Section 7 of the Act covers specific instances of preferential treatment based on the identity of a representative of the person or organization that is the recipient of this treatment.

[269] In the *Paradis Report* (March 2012), which also focused on allegations of a possible contravention of section 7 of the Act, Commissioner Dawson concluded there was a “strong indication” that the Honourable Christian Paradis, then minister of Public Works and Government Services Canada, had provided preferential treatment to a company (Green Power Generation). He had done so by arranging meetings between departmental officials and the company’s founder, Mr. Rahim Jaffer, despite having minimal knowledge of the proposal. Commissioner Dawson also found that Mr. Paradis was motivated “to help a former caucus colleague.” The preferential treatment was therefore based on the identity of the representative of the organization.

[270] Some parallels to this examination may also be drawn with the *Paradis Report* (December 2013). It was alleged in that examination that Mr. Paradis, then Minister of Natural Resources and Regional Minister for the province of Quebec, had made representations to the Honourable Diane Finley, then Minister of Human Resources and Skills Development, on behalf of a constituent. Specifically, Mr. Paradis had allegedly attempted to influence Ms. Finley to have an employment centre moved from Rimouski to Thetford Mines, and into a building owned by a company whose principal shareholder was an associate of Mr. Paradis’ family and also a personal friend.

[271] Commissioner Dawson found that even though Mr. Paradis was not involved in the ultimate decision, it was impossible to dissociate his ministerial role from his role as an ordinary Member of Parliament when Mr. Paradis raised a constituency matter with a federal institution or a Cabinet colleague. Any influence Mr. Paradis exercised stemmed from his capacity as a minister of the Crown.

[272] In the matter under examination, the documentary evidence provided to me by Mr. Morneau demonstrates that the Department of Finance—and Mr. Morneau’s ministerial office in particular—played a central role in the development of the student support measures. The CSSG, in particular, was just one undertaking in a much larger portfolio of programs coordinated through the Department of Finance.

[273] I found no evidence that Mr. Morneau was directly involved in the development of the CSSG’s delivery model, including ESDC’s decision to propose WE as its administrator. In Mr. Morneau’s extensive disclosure package to this Office, none of the communications with WE suggested, much less revealed, that Mr. Morneau had provided instruction or direction to anyone—including his Cabinet colleagues, members of his ministerial staff and public servants—associated with the Social Entrepreneurship proposal.

[274] Nevertheless, I am of the view that Mr. Morneau’s ministerial office, with Mr. Morneau’s tacit approval, afforded WE preferential treatment in its discussions leading to the eventual development of the CSSG and in continuing to promote and support WE’s original Social Entrepreneurship program.

[275] ESDC initially proposed a modest expansion of the Canada Service Corps’ capacity with WE’s participation following early discussions between Ms. Wernick and Mr. Kielburger. Yet WE felt it necessary to relay this information to Mr. Morneau’s ministerial office. As a result, Mr. Singh inquired whether it would be possible to further expand WE’s original proposal to 20,000 volunteer placements. Mr. Singh received WE’s reworked Youth Summer Service proposal on April 21 and forwarded it to the Prime Minister’s Office and the Department of Finance without reviewing, analyzing, or sharing the proposal with Mr. Morneau.

[276] WE's original Social Entrepreneurship proposal was also included in Mr. Morneau's briefing package of April 21 rather than the amended Youth Summer Service proposal. Mr. Singh testified that its inclusion and the \$12 million budgetary set-aside was not formally approved by Mr. Morneau and was left in Annex 4 inadvertently. Moreover, Mr. Singh testified that the reference to the Social Entrepreneurship proposal was in fact a reference to the mechanics of the proposal, and not to the program itself. I have difficulty reconciling Mr. Singh's explanation of these events with the documentary evidence, which suggests that he believed the new Youth Summer Service proposal could be used as the basis of the CSSG, and he continued to promote and advocate for the original proposal as it made its way to the Prime Minister's Office.

[277] ESDC officials became aware of the scope of the undertaking and the anticipated early May roll-out only after Mr. Trudeau's public announcement on April 22. It became clear to Ms. Wernick that existing federal programs could not deliver such an ambitious project in such a short period of time. Even before April 23, when Ms. Wernick was given the green light to begin "courting" WE, it had already reworked its original proposal to meet Mr. Singh's requests. Given the deadline imposed by the Department of Finance, ESDC was left with no alternative but to reach out to WE. And because of its revamped proposal, WE was positioned to be the lone candidate who could administer the program within the new parameters. It is therefore not surprising that this was the recommendation presented to Ms. Chagger's office on April 28.

[278] The degree of involvement of Mr. Morneau's ministerial office in files relating to WE is not unique to the matter under examination. The documentary evidence shows several other instances where Mr. Morneau and members of his ministerial staff provided assistance to representatives of WE that, in my view, fell outside the scope of normal and proper use of ministerial resources. This treatment ranged from facilitating introductions with federal and provincial counterparts in the context of funding initiatives or on matters that fell outside his mandate to directly intervening with other orders of government on behalf of a constituent. This treatment continued up to and including the period under review.

[279] Mr. Morneau explained that, like many constituent organizations in his riding, WE reached out to his staff for guidance and support to seek appropriate sources of funding from all levels of government. Mr. Morneau added that, as with many projects, his ministerial office would assess and engage to provide assistance where possible, without his instruction.

[280] Although WE is an established charitable organization whose projects aspire to serve a greater good, the organization and its representatives must still be treated like any other constituent stakeholder. It must make requests for assistance using the appropriate channels and must be redirected to the relevant authorities without preferential treatment particularly when, as in this case, personal and professional relationships were blurred.

[281] It has long been understood that it would be improper for a minister or a parliamentary secretary to conflate their ministerial duties with their parliamentary duties. This Office has issued compliance orders and produced examination reports against ministers or parliamentary secretaries who had, for instance, acted improperly by writing letters of support to an administrative tribunal (the *Gill Report*) or who were admonished simply for using their ministerial titles when assisting constituents, even though no other contravention was found (the *Clement Report*).

[282] As Commissioner Dawson wrote in the *Clement Report*: “ministers, as Members, have duties towards their constituents. However, in carrying out these duties, ministers should exercise some caution. When representing constituents, they should not use their positions as ministers to provide greater assistance to their constituents than to other Canadians in relation to their own department or larger portfolio.”

[283] Following my examination of the documentary evidence, I am of the view Mr. Morneau afforded WE preferential treatment by permitting members of his ministerial staff to disproportionately assist a constituent. This unfettered access to the Office of the Minister of Finance was based, in my view, on the relationship between Mr. Morneau and Mr. Craig Kielburger, whom I found to be friends within the meaning of the Act. This treatment also constitutes, in my view, an impropriety under subsection 6(1) of the Act.

Conclusion

[284] Accordingly, I find that Mr. Morneau has contravened subsection 6(1), section 7 and section 21 of the Act.

A handwritten signature in black ink, appearing to read "Mario Dion". The signature is written in a cursive, flowing style.

Mario Dion
Conflict of Interest and Ethics Commissioner

May 13, 2021

SCHEDULE: LIST OF WITNESSES

The names of all witnesses are listed below according to the organizations to which they belonged at the time of the events that are the subject of this examination.

Interviews

- Ms. Michelle Kovacevic, Assistant Deputy Minister, Federal-Provincial Relations and Social Policy Branch, Department of Finance Canada
- Mr. Amitpal Singh, Policy Advisor, Office of the Minister of Finance
- Mr. Rick Theis, Director of Policy and Cabinet Affairs, Prime Minister's Office
- Ms. Rachel Wernick, Senior Assistant Deputy Minister, Skills and Employment Branch, Employment and Social Development Canada

Written Submissions and Documents Requested

- The Right Honourable Justin Trudeau, Prime Minister of Canada
- The Honourable Bill Morneau, Minister of Finance
- The Honourable Bardish Chagger, Minister of Diversity and Inclusion and Youth
- Messrs. Marc and Craig Kielburger, WE

Information and Documents Requested

- The Honourable Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion
- Mr. Graham Flack, Deputy Minister, Employment and Social Development Canada
- Mr. Alexandre Trudeau and Ms. Margaret Trudeau
- Mr. Ian Shugart, Clerk of the Privy Council and Secretary to the Cabinet
- Ms. Gina Wilson, Senior Associate Deputy Minister of Diversity and Inclusion and Youth