



**Office of the Conflict
of Interest and Ethics
Commissioner**

**Commissariat aux
conflits d'intérêts et à
l'éthique**

Referral from the Public Sector Integrity Commissioner: The Bennett Report

made under the
CONFLICT OF INTEREST ACT



November 17, 2016

**Mary Dawson
Conflict of Interest and
Ethics Commissioner**

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PREFACE

The *Conflict of Interest Act*, S.C. 2006, c. 9, s. 2 (Act) came into force on July 9, 2007.

An examination under the Act may be initiated at the request of a member of the Senate or House of Commons pursuant to subsection 44(1) of the Act or on the initiative of the Conflict of Interest and Ethics Commissioner (Commissioner) pursuant to subsection 45(1).

When an examination is initiated under section 45 of the Act, the Commissioner is required, under subsection 45(3), to provide a report to the Prime Minister setting out the facts in question as well as the Commissioner's analysis and conclusions in relation to the examination, unless the examination is discontinued. Subsection 45(4) provides that, at the same time that a report is provided to the Prime Minister, a copy of the report is also to be provided to the public office holder or former public office holder who is the subject of the report and made available to the public.

On receipt of a referral from the Public Sector Integrity Commissioner pursuant to subsection 24(2.1) of the *Public Servants Disclosure Protection Act*, the Commissioner may, if she has reason to believe that a public office holder or former public office holder has contravened the Act, decide to examine the matter on her own initiative pursuant to section 45 of the Act.

Whether or not the Commissioner initiates an examination under section 45 of the Act, the Commissioner must, pursuant to section 68 of the Act, provide a report to the Prime Minister setting out the facts in question as well as her analysis and conclusions where there has been a referral from the Public Sector Integrity Commissioner. A copy of the report must also be provided to the public office holder or former public office holder who is the subject of the report and to the Public Sector Integrity Commissioner. The report is also made public.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
CONCERNS	3
PROCESS	5
FINDINGS OF FACT	7
Background.....	7
Mandate and Structure of the Royal Canadian Mint	7
Mr. Bennett’s Role in Relation to Contracting.....	8
Relationship Between the Royal Canadian Mint and Brinks Canada	8
Contracts Between the Royal Canadian Mint and Brinks Canada	9
The Dinner of February 12, 2014.....	10
Retirement Celebrations for Mr. Bennett	12
MR. BENNETT’S POSITION	13
ANALYSIS AND CONCLUSION	15
Analysis	15
Conclusion	19
SCHEDULE: LIST OF WITNESSES	21

EXECUTIVE SUMMARY

This report presents the findings of my examination under the *Conflict of Interest Act* (Act) of the conduct of Mr. Ian Bennett when he was President and Chief Executive Officer of the Royal Canadian Mint (Mint), in connection with gifts that he received from Brinks Canada. The matter was raised in a disclosure referred to me by the Public Sector Integrity Commissioner.

In February 2014, Brinks Canada hosted a dinner to mark Mr. Bennett's retirement from the Mint and presented him with a model of a ship resembling the Bluenose, which is represented on the Canadian dime. It was alleged that Mr. Bennett's acceptance of the gifts of a dinner and a model ship contravened section 11 of the Act. That section prohibits public office holders from accepting any gift that might reasonably be seen to have been given to influence them in the exercise of their official powers, duties or functions.

Brinks Canada, which provides armoured car transportation and currency and coin processing services, is a longtime stakeholder and supplier of the Mint. In November 2013, at the time of the invitation, there were several ongoing contracts being negotiated between the two organizations, including one that Mr. Bennett signed several days after the retirement dinner.

While the dinner and model ship may truly have been given in recognition of Mr. Bennett's career and his retirement after a long-standing good business relationship, Mr. Bennett accepted the gifts in the context of that ongoing business relationship. I note that no other supplier was involved in any retirement celebrations for Mr. Bennett.

It may well be that Mr. Bennett saw those gifts as having only to do with his retirement, even though the retirement did not take place for another four months, and that he did not make the connection with his obligations under the Act. However, a public office holder has a general obligation to avoid accepting gifts from stakeholders and engaging the prohibition relating to gifts. That obligation remains and must be taken into account.

Mr. Bennett's position is that the gifts could not have influenced his decision to sign the contract or to do business with Brinks Canada. The acceptability test is not, however, dependent on the perceptions of the public officer holder receiving the gift or the individual giving the gift. Instead, it depends on whether, in the circumstances surrounding the gift, it might reasonably be seen to have been given to influence a public office holder.

Because Mr. Bennett's acceptance of the gifts of a model ship and dinner from Brinks Canada occurred in the context of an ongoing business relationship involving contracts between the Mint and Brinks Canada, I found that the gifts might reasonably be seen to have been given to influence him in the exercise of his official functions.



I considered whether the exceptions provided in subsection 11(2) of the Act might apply and concluded that they would not. In particular, I found no evidence to suggest that Mr. Bennett had a friendship with any of the participants at the dinner.

I therefore found that, by accepting the gifts from Brinks Canada, Mr. Bennett contravened section 11 of the Act.



CONCERNS

On October 15, 2015, the Public Sector Integrity Commissioner referred to me, under subsection 24(2.1) of the *Public Servants Disclosure Protection Act*, a protected disclosure that his Office had received. The disclosure raised concerns that Mr. Ian Bennett, the former President and Chief Executive Officer of the Royal Canadian Mint (Mint), attended a dinner organized by Brinks Canada in Mr. Bennett's honour, to mark his upcoming retirement from the Mint and to thank him for the business and relationships of past years. The allegation is that this dinner was an event intended to influence his decision making, with respect to a contract the Mint was in the process of negotiating with Brinks Canada.

Under section 68 of the *Conflict of Interest Act*, I am required to prepare a report and make the report available to the public when a matter is referred to me by the Public Sector Integrity Commissioner.





PROCESS

On October 21, 2015, I wrote to Mr. Ian Bennett with concerns regarding the information I had received from the Public Sector Integrity Commissioner, and requested additional information. I received a response and documentation from Mr. Bennett on November 18, 2015. Based on the documentation I received and additional information collected by my Office, I decided to launch an examination in accordance with subsection 45(1) of the *Conflict of Interest Act* (Act).

I wrote to Mr. Bennett on January 11, 2016 to inform him accordingly, indicating that I had reason to believe he may have contravened subsection 11(1) of the Act because he accepted a dinner invitation and a gift from Brinks Canada.

Subsection 11(1) of the Act prohibits a public office holder from accepting any gift that might reasonably be seen to have been given to influence the public office holder in the exercise of his or her official powers, duties or functions. I asked Mr. Bennett to provide me with any additional factual information and documents related to my examination and received additional documents from Mr. Bennett's counsel on February 10, 2016.

A first interview was conducted with Mr. Bennett on February 11, 2016. On October 4, 2016, after my Office interviewed three witnesses and received additional documentation, a second interview was held. Mr. Bennett's counsel was present for both interviews. Before proceeding with the second interview, Mr. Bennett and his counsel were given an opportunity to review the transcript from the first interview, excerpts of transcripts from three witness interviews and other relevant documents.

In keeping with the practice I have established, Mr. Bennett and his counsel were given an opportunity to comment on a draft of the factual sections of this report (Concerns, Process, Findings of Fact and Mr. Bennett's Position) before it was finalized.





FINDINGS OF FACT

Background

Mr. Ian Bennett was appointed President, Chief Executive Officer and Master of the Royal Canadian Mint (Mint) pursuant to the *Royal Canadian Mint Act* for a period of five years, effective June 12, 2006. On March 24, 2011, it was announced that he had been reappointed for three additional years, until June 12, 2014. As Master of the Mint and Chief Executive Officer, Mr. Bennett was subject to the *Conflict of Interest Act* (Act) as a reporting public office holder.

It was alleged that Mr. Bennett contravened section 11 of the Act by accepting a dinner invitation and a model of a ship resembling the Bluenose from Brinks Canada, each of which were gifts that might reasonably be seen to have been given to influence him in the exercise of his official powers, duties or functions. The dinner took place on February 12, 2014.

In order to determine whether Mr. Bennett contravened section 11, it was necessary to consider Mr. Bennett's official powers, duties and functions as well as the relationship between Brinks Canada and the Mint and the interactions between the two organizations.

Mandate and Structure of the Royal Canadian Mint

The Mint is a Crown Corporation of the Government of Canada, which provides precious metal refining, coin minting services, coins, coin blanks and collectible coins to the Government of Canada, the Bank of Canada and international customers, such as foreign central banks and other mints.

According to the Mint's website, its core mandate is to produce and manage the distribution of Canada's circulation coinage and to provide advice to the Government of Canada on all matters relating to coinage. The Mint is one of only three government institutions that are self-sustaining and do not receive any government funding for their operations. In 2014, the Mint had revenues of \$2.4 billion and served 15 international customers as well as the Canadian market. The Mint paid \$10 million in dividends to its sole shareholder, the Canadian government.

Due to fact that one of the Mint's objects is to mint coins in anticipation of profit, during the course of my examination I found that the Mint's relationships with stakeholders as well as its governance structure have much in common with corporations in the private sector. The Mint has a Board of Directors that has overall responsibility for the supervision of the Mint's business and is responsible for making decisions in the best interests of the Mint. Reporting to the Board are three committees, one of which is the Audit Committee, which oversees financial reporting, contracting and performance indicators.



Mr. Bennett was Chair of the Executive Committee, a non-voting member of the Audit Committee and a voting member of the Board of Directors. The Board is responsible for approving contracts over a certain threshold, which Mr. Bennett recalled to be \$2 million.

Mr. Bennett's Role in Relation to Contracting

Mr. Bennett had six individuals reporting directly to him, including Ms. Beverley Lepine, the former Chief Operating Officer, and Mr. Alain Raquepas, the former Chief Financial Officer. Mr. Bennett told me that he gave his management team and employees a broad scope operationally, both in relation to contracting and in general. He said that he was only briefed if there were problems that his employees and executive team were unable to solve, such as issues that are fundamental to a contract and resulted in important financial consequences. Mr. Bennett did not have regular meetings to discuss the status of contracts and he did not receive regular briefing notes in relation to contracts that followed the usual contracting process. He said this was typical of his management style during his time at the Mint.

Relationship Between the Royal Canadian Mint and Brinks Canada

Brinks Canada was established in 1927 and provides armoured car transportation as well as currency and coin processing. Brinks Canada had been providing these services to the Mint and Canada's major banks for decades.

Mr. Peter Panaritis, the President of Brinks Canada during the time relevant to this examination, was appointed to that position in April 2009 and left Brinks Canada in January 2015.

Mr. Bennett described the Mint's relationship with Brinks Canada as important. Ms. Lepine described it as a partnership, as she did the relationship with other suppliers. Mr. Panaritis described the relationship as a strong partnership.

Mr. Panaritis indicated that he had only met Mr. Bennett at a couple of dinners and events during Mr. Bennett's tenure at the Mint. These were large events with other staff, or special events hosted by the Mint such as the grand opening of the Winnipeg facility. Mr. Bennett did not recall ever meeting with Brinks Canada representatives prior to the dinner of February 12, 2014.

All evidence presented indicates that the Mint's relationship with Brinks Canada was a business relationship and I have found no evidence to suggest that Mr. Bennett had a friendship with any of the participants at the dinner organized by Brinks Canada.



Contracts Between the Royal Canadian Mint and Brinks Canada

As part of my examination, I requested from the Mint a summary of any contracts between the Mint and Brinks Canada, either existing or anticipated that were under consideration by the Mint, during Mr. Bennett's last year in office.

The documents that were provided show that during that year, in addition to two existing contracts, there were ongoing negotiations between the two organizations in relation to five other contracts: two involving the negotiation of "main contracts" and the other three relating to extensions or amendments of existing contracts. These contracts covered various types of services being provided by Brinks Canada, namely coin processing services, the storage and transportation of silver metal products in various cities, coin storage and armoured transportation services, and the provision of the roll and wrap equipment.

Three of the contracts were signed by Mr. Bennett, as President and Chief Executive Officer of the Mint. The other contracts were signed at a lower level within the Mint. As for Brinks Canada, the contracts were all signed by its President, Mr. Panaritis. Mr. Bennett told me he was not personally informed or briefed on the status of these contracts during negotiations. Nor does he recall specifically signing any of the contracts.

Early in 2014, a Request for Proposal concerning coin processing services was also being prepared by Mint staff. At that time, Brinks Canada already had a coin processing contract in place with the Mint. The Request for Proposal was issued on June 30, 2014. A contract between Brinks Canada and the Mint was implemented on January 1, 2015, six months after Mr. Bennett's retirement.

Some armoured car carrier services and some storage and transportation were also provided by three other suppliers. Mr. Bennett considered contracts for these types of services to be standard contracts unlike the contract for the roll and wrap equipment, which, according to Mr. Bennett, the Mint had determined could only be supplied by Brinks Canada.

Brinks Canada had been providing roll and wrap equipment and related services to the Mint since 2007. The first contract was for five years and was subsequently extended until December 31, 2013. Given the importance and significant value of a new roll and wrap contract with Brinks Canada, Mr. Bennett told me that the Board of Directors' approval was required and the allocation of funds was granted on August 23, 2013. According to Mr. Panaritis, the contract was also considered important for Brinks Canada's Toronto operations.



Following funding approval by the Board, detailed contract negotiations began between Brinks Canada and the Mint. Negotiations were ongoing through the fall of 2013 and into the winter of 2014.

Negotiations for Brinks Canada were led by Ms. Manon Laplante, who was at the time Director, Coin Solutions & Quebec Financial Institutions and Government Relations. Despite the fact that the contract remained unsigned through January and early February 2014, Brinks Canada and the Mint agreed that the service start date on the contract would be January 1st, 2014, as it appears in the terms of the contract.

The Mint's legal team provided its final approval of the contract on January 30, 2014, and the contract was prepared for the signatures of both Mr. Alain Raquepas, Chief Financial Officer, and Mr. Bennett at the Mint. It appears that Mr. Raquepas signed the contract on February 14, 2014, two days after the dinner took place. The contract was sent the same day to Mr. Bennett for signature.

I have found no evidence to indicate that Mr. Bennett was involved, informed or aware of the status of the contract negotiations, or that he met with Brinks Canada, at any time between August 2013 and early February 2014 including the days leading up to his signing of the contract. Mr. Bennett told me that he would have signed the contract because, following the acceptance by the Board of Directors of the offer of services from Brinks Canada, Mr. Bennett considered his signature a formality and Brinks Canada was already putting equipment in place. He added that failure to sign the contract without reason would have had legal repercussions.

Mr. Bennett indicated that there was no date set in advance for him to sign the contract, and it appears that he signed it on February 14, 2014. After Mr. Bennett signed the contract, it was sent to Brinks Canada. Ms. Laplante signed the contract on February 19, 2014 and Mr. Panaritis signed it on February 20, 2014.

The Dinner of February 12, 2014

The Invitation

In November 2013, Ms. Laplante contacted Ms. Lepine's executive assistant, inviting Mr. Bennett and Ms. Lepine out for dinner on behalf of Mr. Panaritis. Ms. Laplante was a former employee of the Mint, and had reported to Ms. Lepine during her time there. They had a friendly relationship that continued after Ms. Laplante left the Mint.

Mr. Panaritis said that he had directed Ms. Laplante to contact Mr. Bennett in November 2013 because he believed that Mr. Bennett was retiring at the end of that year, and this was confirmed by Ms. Laplante. Ms. Laplante told me that it was her decision to purchase



the gift of the model ship, and she was reimbursed by Brinks Canada. Mr. Panaritis was aware that Ms. Lepine was also retiring and that the Mint was restructuring in preparation for her departure, but he did not know whether her departure date had been set.

Ms. Laplante said the dinner invitation was intended to recognize the good working relationship between the Mint and Brinks Canada, to recognize decades of partnership between Brinks Canada and the Mint and to celebrate the contributions that Mr. Bennett had made to the Canadian government during his time at the Mint.

Mr. Bennett confirmed that on July 8, 2013, he informed employees by email that he had advised the Board of Directors and the Mint's sole shareholder, the Canadian government, that they should begin the process of finding a replacement for his position. While he did not indicate a firm date of departure in the email, he noted that he hoped the transition would be made at the beginning of 2014, approximately six months after his announcement.

On November 25, 2013, Ms. Laplante was informed by Ms. Lepine's executive assistant that Ms. Lepine and Mr. Bennett would be unavailable to meet for dinner until late January. At no point did Mr. Panaritis or Ms. Laplante discuss the dinner invitation with Mr. Bennett. The decision was made in January that the dinner with Brinks Canada would take place on February 12, 2014 at Juniper Kitchen & Wine Bar.

The initial written invitation had been sent on November 20, 2013 by Ms. Laplante to Ms. Lepine's executive assistant. In it, Ms. Laplante indicated that Mr. Panaritis would like to have dinner with Ms. Lepine and Mr. Bennett at their earliest convenience but no mention was made of the retirement nor any other purpose for the dinner. Additional email exchanges to arrange the date, time and location of the dinner were sent between November 21, 2013 and January 25, 2014 and again no mention was made in any of these email exchanges of the retirement of Mr. Bennett or Ms. Lepine.

Communications Immediately Prior to the Dinner

Ms. Laplante indicated that in the days leading up to the dinner, she was very anxious to get the roll and wrap equipment and services contract settled that week and said that she probably made calls to Mint employees to that effect. She told me that she wanted to close contract negotiations with the Mint before her departure in April. The day of the dinner, Ms. Lepine was briefed by two employees on the status of the contract. One employee indicated in a briefing note to her that Brinks Canada was hoping to "get the contract" that evening.

Mr. Panaritis also indicated that he would have been briefed in advance of the dinner on the status of various Brinks Canada contracts with the Mint. Mr. Bennett doesn't recall being briefed



on the contract in advance of the dinner, and Ms. Lepine confirmed that she does not recall that Mr. Bennett would have been briefed specifically on that issue. In an email to Mr. Bennett dated February 11, 2014, Ms. Lepine indicated: “This dinner is a social celebration and a sort of good bye dinner for you – not a business meeting as such.”

The Event Itself

All witnesses confirmed that the dinner took place in the evening of February 12, 2014. It was attended by Mr. Panaritis, Mr. Bennett, Ms. Laplante, Ms. Lepine and Mr. Victor Goodman, Vice-President of Sales at Brinks Canada.

Ms. Laplante and Mr. Panaritis estimated that the dinner cost approximately \$100 per person. A gift of a model ship resembling the Bluenose, which is represented on the Canadian dime, was given to Mr. Bennett. Ms. Laplante valued it at approximately \$150. Both the dinner and the model ship were paid for by Brinks Canada. Mr. Bennett stated that he believed at the time that the gifts cost significantly less than that. Ms. Lepine recalled receiving a statue of a bird as a gift from Brinks Canada.

Mr. Bennett could not recall discussing business at the dinner. Mr. Panaritis stated that there may have been a recap on where the two organizations stood but could not recall specifically. Ms. Laplante could not recall whether business was discussed but said that, in any event, she would not have paid attention to business discussions. Ms. Lepine said it would have been logical to discuss certain business issues but she could not recall exactly what had been discussed. Mr. Bennett was described by Mr. Panaritis as not being interested in discussing the details of business at the dinner. They discussed their families, plans for after retirement, politics and the general economic situation. I found no evidence of any communications between Mr. Bennett and staff at the Mint or at Brinks Canada regarding the contract at or following the dinner.

Retirement Celebrations for Mr. Bennett

Mr. Bennett remained Chief Executive Officer until the end of his three year term, on June 12, 2014. Mr. Bennett told me that there were two general celebrations organized for his retirement, one by the Mint’s Board of Directors and another during an international conference attended by international colleagues. He said that he did not receive any other gifts from suppliers or clients of the Mint related to his retirement, nor did he attend any other dinners with suppliers or clients to celebrate his retirement. During his interview, he told me he could not recall ever having dinner with another supplier during his tenure at the Mint.



MR. BENNETT'S POSITION

Mr. Bennett's position is that he did not contravene section 11 of the *Conflict of Interest Act* (Act).

In his response letter of November 18, 2015, Mr. Bennett wrote that he did not believe that he could have contravened section 11 because the dinner and gift from Brinks Canada could not have influenced his decision to sign the contract or do business with Brinks Canada.

Mr. Bennett wrote that the decision by the Board of Directors of the Royal Canadian Mint (Mint) on August 23, 2013 to approve the contract with Brinks Canada was the extent of his involvement with the contract, and he considered that approval to be a final decision, not easily reversed by him or the Chief Financial Officer. The copy of the contract that he signed in February 2014 was identical to the version approved by the Mint's legal services on January 30, 2014. He also noted that, between August 23, 2013 and February 2014, he did not receive any briefings, updates or requests for assistance during the drafting of the contract that was to implement the decision taken by the Board of Directors.

Mr. Bennett also wrote that despite the fact that the contract was signed in mid-February, it was implemented on January 1, 2014 and the contract specified that January 1, 2014 was the start of the contract's five-year term. During his interview, Mr. Bennett told me that in his view, the contract was already final and in place, prior to his signature. His signature was required but he would not, in practice, have refused to sign the contract. He told me that once the Board of Directors had approved it, he would not have exercised any authority to change or reject the contract.

Mr. Bennett also stated that the dinner was more for Ms. Lepine than for him. Ms. Lepine had been with the Mint for many years and had a strong relationship with key suppliers. He also noted that the close working relationship between Ms. Lepine and Ms. Laplante, during their time at the Mint and after Ms. Laplante's departure, may have contributed to the dinner being organized. It was therefore not surprising to him that Brinks Canada would organize a celebratory event to recognize the important business relationship that had existed between the two companies and to mark the upcoming retirement of two key figures, the Chief Executive Officer and the Chief Operating Officer of the Mint. The dinner, according to Mr. Bennett, had no other function than to say goodbye to two individuals who were about to retire.

Mr. Bennett wrote in his letter of November 18, 2015 that, in his view, a "reasonable person" could not conclude that the dinner of February 12, 2014 was arranged to secure a decision in favour of Brinks Canada, when what he viewed as the decision had taken place in



August 2013 and the contract had been in place starting January 1, 2014. He reiterated this during his interview with me on October 4, 2016.

In a submission dated October 21, 2016, Mr. Bennett's counsel emphasized several points with regard to the evidence:

- Mr. Bennett's involvement in the roll and wrap contract with Brinks Canada was limited to the review of the material for the Board discussion of the contract at its meeting of August 23rd, 2013.
- At no time was Mr. Bennett involved in the negotiation of the final contract with Brinks Canada. Nor did any issues arise during these negotiations that required Mr. Bennett's involvement. More particularly, there is not an iota of evidence of involvement on the part of Mr. Bennett in the negotiating process between November, when the possibility of a dinner was first raised, and the actual date of the dinner.
- The dinner with Brinks Canada on February 14, 2014 was entirely social in nature. There was no discussion of the contract or any other specific business issues between Brinks Canada and the Mint. Neither of the chief executive officers was aware at the time of the dinner that the contract had not been signed.
- All of the decisions associated with the contract had been made prior to the farewell dinner. There was no expectation or desire on the part of either the Mint or Brinks Canada to change what had already been agreed to by both parties.
- The briefing note prepared for Ms. Lepine that Mr. Bennett saw for the first time during the course of the investigation indicates that the author thought that "Brinks Canada was hoping to get the contract tonight," but Mr. Bennett was not made aware of that, and there is no logical reason why he should or could have been. In her testimony, Ms. Lepine stated that she did not recall seeing the briefing note.
- The farewell dinner was so unconnected to the contract process that at no time did anybody ever raise the necessity of Mr. Bennett's signature to complete the paperwork. Ultimately, the signatures were a formality: the terms of the contract had been implemented as of January 1, 2014.
- Ms. Laplante explained that, with respect to the gift, it was her own spontaneous decision to make the purchase shortly before the dinner. While in a shopping mall, she happened to notice a model ship that resembled the Bluenose depicted on the Canadian ten cent coin.



ANALYSIS AND CONCLUSION

Analysis

It is alleged that Mr. Bennett contravened section 11 of the *Conflict of Interest Act* (Act) by accepting an invitation to dinner, paid for by Brinks Canada, and the gift of a model ship. The relevant portions of section 11 read as follows:

11. (1) No public office holder or member of his or her family shall accept any gift or other advantage, including from a trust, that might reasonably be seen to have been given to influence the public office holder in the exercise of an official power, duty or function.

(2) Despite subsection (1), a public office holder or member of his or her family may accept a gift or other advantage

(a) that is permitted under the Canada Elections Act;

(b) that is given by a relative or friend; or

(c) that is received as a normal expression of courtesy or protocol, or is within the customary standards that normally accompany the public office holder's position.

I must determine whether a dinner and the model ship given to Mr. Bennett, the Chief Executive Officer and President of the Royal Canadian Mint (Mint), in recognition of his retirement by Brinks Canada, a company with past and ongoing contractual relationships with the Mint, might reasonably be seen to have been given to influence Mr. Bennett in the exercise of his official functions.

The initial concern raised with my Office was that the February 12, 2014 dinner was connected with the negotiations of a roll and wrap equipment and services contract between the Mint and Brinks Canada. In fact, at the time of the invitation in November 2013, in addition to the roll and wrap contract and any related extensions, there were several other ongoing contracts being negotiated between Brinks Canada and the Mint. Among them was another main contract in negotiation between November 2013 and January 2014 signed by Mr. Bennett as President and Chief Executive Officer of the Mint, as well as an extension to an existing contract implemented on January 1, 2014.



Mr. Panaritis recognized the Mint as an important client for Brinks Canada. While Mr. Bennett's perception was that the dinner was Ms. Laplante's idea and was more a celebration of Ms. Lepine's career at the Mint than his, it would appear from the testimony of both Mr. Panaritis and Ms. Laplante that it was Mr. Panaritis who had instructed Ms. Laplante to extend the invitation to Mr. Bennett in November 2013 to join him for dinner. Ms. Laplante testified that it was her idea to purchase a gift for Mr. Bennett.

At the time of the invitation, Brinks Canada was not only a long-time stakeholder and supplier, but had a number of ongoing matters that needed to be resolved with the Mint in the coming months, especially given Ms. Laplante's expected departure in spring 2014.

I note that Mr. Bennett and Mr. Panaritis did not know each other well at all, even in their business relationship. The dinner invitation was not made in the context of an existing friendship between the two chief executive officers. While it appears that Ms. Laplante and Ms. Lepine had a friendly relationship, in my view the nature of their relationship has no bearing on the acceptability of the gift received by Mr. Bennett.

Of significance is the fact that the written dinner invitation sent out by Brinks Canada in November 2013 and a number of subsequent email exchanges between November 2013 and January 2014 between staff at Brinks Canada and the Mint to arrange the dinner did not mention retirement at all. The evidence indicated that the dinner invitation and gift were given not only in recognition of Mr. Bennett's career and his retirement but also as a thank you for a good business relationship.

Mr. Bennett told me that in relation to the roll and wrap equipment and services contract, he considered his involvement to be extremely limited following the approval of this contract by the Mint's Board of Directors in August 2013, and he considered that approval to be a final decision, bearing in mind that the contract could not be changed, unless it was sent back to the Board of Directors with reasonable cause. He also pointed out that the contract was implemented on January 1, 2014.

While I appreciate that Mr. Bennett was not involved in the negotiations of the contract details after its approval by the Board of Directors, he was nonetheless one of the final signatories to the roll and wrap contract. In his role as Chief Executive Officer of the Mint, Mr. Bennett's approval was required. As mentioned earlier, there were several other contracts Brinks Canada had in place with the Mint and there were additional anticipated dealings between the Mint and Brinks Canada for the near future, all of which speak to the importance of the business relationship.



A day before the dinner, Ms. Lepine wrote an email to Mr. Bennett to explain that the dinner was a social celebration and sort of goodbye dinner for Mr. Bennett rather than a business meeting as such. However, the day of the dinner, Ms. Lepine was briefed by two employees about the status of the roll and wrap equipment and services contract with Brinks Canada, in addition to updates on some of the other initiatives between Brinks Canada and the Mint. Mr. Panaritis told me that he would have been briefed prior to the dinner on the various contracts between the Mint and Brinks Canada.

While no witness could specifically recall business being discussed at the dinner, Mr. Panaritis' testimony was that there may have been a recap on where the two organizations stood. Also, Ms. Lepine's testimony was that it would have been logical to discuss certain business aspects. Although business may not have been discussed at the dinner, both parties had anticipated the potential for a discussion on several ongoing matters between the Mint and Brinks Canada.

Since the Mint's relationships with stakeholders, as well as its governance structure, have much in common with corporations in the private sector, I can understand why Mr. Bennett may not have given much thought about the acceptability of an invitation and a gift from one of the Mint's stakeholders. Nonetheless, in relation to the public sector, it is important to ensure that there is no doubt cast on the integrity of the public decision-making process. This is the rationale for the more stringent rules that exist for public office holders.

The donor's existing or future relationship to the public office holder is of particular relevance in deciding whether the gift might reasonably be seen to have been given to influence the public office holder's decision making. Mr. Bennett, in his position as Chief Executive Officer, was a reporting public office holder and subject to the obligations and duties set out in the Act. Mr. Bennett's acceptance of the dinner invitation and of the model ship occurred in the context of a long-standing and ongoing business relationship involving contracts between the Mint and Brinks Canada.

The acceptability test of whether the invitation to the dinner and the model ship might reasonably be seen to have been given to influence Mr. Bennett in the exercise of an official power, duty or function is not dependent on the perceptions of either Mr. Bennett or Mr. Panaritis. Instead, it depends on whether, in the circumstances surrounding these gifts they might reasonably be seen to have been given to influence Mr. Bennett. The value of a gift is not a criterion of acceptability; it is a threshold for the purpose of disclosure to my Office and the public.



In July 2011, I released a guideline on gifts for public office holders entitled *Gifts (including Invitations, Fundraisers and Business Lunches)*. In this guideline I provide examples of situations that might reasonably be seen to suggest that a gift was given to influence a public office holder's decision-making, including the following:

4. The donor or the donor's client or firm has or may, in the future, have a contract with the public sector entity of the public office holder.

5. The donor or the donor's client or firm could submit a bid in respect of a request for proposals that the public sector entity of the public office holder has issued or may issue in the future.

In these circumstances, I find that the gifts from Brinks Canada accepted by Mr. Bennett might reasonably be seen to have been given to influence him in the exercise of his official powers, duties or functions and that he should not have accepted them.

While the dinner and model ship may truly have been given in recognition of Mr. Bennett's career and his retirement after a long-standing good business relationship, Mr. Bennett accepted the gifts in the context of that ongoing business relationship. It may well be that Mr. Bennett saw those gifts as having only to do with his retirement, even though the retirement did not take place for another four months, and did not make the connection with his obligations under the Act. A public office holder has a general obligation to avoid accepting gifts from stakeholders and engaging the prohibition relating to gifts. That obligation remains and must be taken into account. Mr. Bennett could have attended the dinner at his own expense and possibly claimed that expense from the Mint. He could have declined to accept the gift of the model ship in light of his obligations under the Act, or subsequently arranged to have the cost reimbursed.

No other supplier extended an invitation to an event to recognize Mr. Bennett's retirement. Nor were any other suppliers involved in any retirement celebration for Mr. Bennett.

I have considered whether the exceptions in subsection 11(2) of the Act set out above would have any application in this case and have concluded that they would not. Paragraph 11(2)(a) relating to the *Canada Elections Act* is clearly not applicable. With respect to paragraph 11(2)(b), there was no suggestion of an independent friendship that had developed between Mr. Bennett and Mr. Panaritis. With respect to paragraph 11(2)(c), as I have stated in my guideline on gifts, I consider a "normal expression of courtesy or protocol" to be a token expression of appreciation in the context of some official interaction, such as an appearance, speech or presentation. As to what might be considered to be within the "customary standards" of a position, this would normally refer to a gift given at an official meeting or function, often



from a foreign or international organization. Clearly, neither of these exceptions applies to Mr. Bennett's situation.

Conclusion

In light of the above, I find that Mr. Bennett contravened section 11 of the Act by accepting the gifts from Brinks Canada.





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

Brinks Canada

- Ms. Manon Laplante, Director, Coin Solutions & Quebec Financial Institutions and Government Relations
- Mr. Peter Panaritis, President

Royal Canadian Mint

- Ms. Beverley Lepine, Chief Operating Officer
- Mr. Ian Bennett, Chief Executive Officer, President and Master of the Mint

Written submissions

Royal Canadian Mint

- Mr. Simon Kamel, Interim Vice-President, Corporate and Legal Affairs

