



PRESENTATIONS & SPEECHES

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Opening remarks before the House of Commons Standing Committee on Industry and Technology / SDTC

**Honourable Konrad W. von Finckenstein, C.M., K.C. –
Conflict of Interest and Ethics Commissioner**
Ottawa, Ontario, September 16, 2024

Thank you for inviting me to speak with you today. I am joined by Michael Aquilino, Legal Counsel at the Office.

As Conflict of Interest and Ethics Commissioner, my role is to help elected and appointed public officials manage conflicts of interest, as well as investigate possible contraventions.

We administer the *Conflict of Interest Act* for appointed officials like ministers, their staff, heads of Crown corporations, deputy ministers, and members of various boards and tribunals. We also administer the *Conflict of Interest Code for Members of the House of Commons*.

Our work has two main purposes. One, to help elected and appointed public officials recognize and manage conflicts of interest. And two, to facilitate the movement of qualified people in and out of public service without issue.

The Committee invited me to discuss the Verschuren Report that the Office issued in July 2024. In fact, we conducted investigations of two officials with Sustainable Development Technology Canada, at the request of MP Michael Barrett.

One was Annette Verschuren, former Chairperson of SDTC. The other was Guy Ouimet, a former director of SDTC.

Ms. Verschuren and Mr. Ouimet came under the Act as public office holders without reporting obligations. They were subject to the Act's general conflict of interest rules, but did not have to give the Office the kinds of information you see summarized in our public registry.

On appointment, the Office assigns each reporting public office holder an advisor who can focus on their individual needs. This opens an ongoing dialogue that lasts for their time in office. In contrast, public office holders like Ms. Verschuren and Mr. Ouimet are not assigned advisors. They can always contact the Office if they need advice.

In my report, I found that Ms. Verschuren failed to comply with two sections of the Act, subsection 6(1) on decision-making, and section 21 on the duty to recuse.

Ms. Verschuren declared a potential conflict of interest to SDTC's Board of Directors regarding companies nominated by or associated with two organizations with which she had close ties. In most cases, she abstained from decisions that benefitted these companies, but she did not recuse herself, as the Act required, in any of these cases.

There is a difference between abstaining and recusing that is not always well understood. Recusal is more than simply staying silent during a discussion or refraining from voting. It means stepping away entirely so your mere presence does not influence another participant. To reinforce this, last week the Office issued an updated information notice on recusals.

Ms. Verschuren also contravened the Act when she participated in two decisions to give COVID-19 emergency relief payments to all companies funded by SDTC, including one in which she had a private interest. In doing so, she followed incorrect legal advice that there was no need to address her conflict because all companies would be given equal treatment.

I found no evidence that Ms. Verschuren used her position as Chair of SDTC to try to influence other Board members in those two decisions when she moved motions for the payments. This was part of her role as Chair.

In the other SDTC investigation report, I dismissed allegations that Mr. Ouimet had contravened the Act by participating in the decisions to give COVID-19 emergency relief payments to funded companies, including one in which he had a private interest.

I found that his interest was so insignificant there was no conflict of interest. I applied the principle of *de minimis non curat praetor*.

On that note, I am happy to answer your questions.