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Democracy Watch
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RE: Request for audit of severance payment to former Integrity Commissioner, and similar past payments made by any federal government institution

March 14, 2011

Dear Office of the Auditor General:

It has been revealed that last October the former Public Sector Integrity Commissioner Christiane Ouimet agreed to a severance pay package offered by the Privy Council Office to vacate the position of Commissioner, including a confidentiality clause. The total pay package was worth more than \$500,000 and an article about the agreement, with a link to the agreement, can be seen at: <http://www.cbc.ca/news/politics/story/2011/03/04/pol-integrity-commissioner.html>

Prime Minister Stephen Harper made a public statement last Thursday, March 10, 2011 that the agreement was the "cheapest" solution to the situation.

Assistant Secretary of the Cabinet Joe Wild testified before the House of Commons Standing Committee on Government Operations last Tuesday, March 8, 2011 that such severance agreements are "standard practice."

We are writing because we disagree with the Prime Minister's assertion that the agreement was the "cheapest solution" and are concerned that such wasteful agreements are "standard practice" when senior executives leave the federal government.

We disagree with the Prime Minister's claim first because severance is usually only given to people who are fired (at a standard rate in Canada of 1-2 weeks pay for each year served). Severance payoffs are not usually offered to people who retire or resign voluntarily as Ms. Ouimet did, especially not in as high amounts as given to Ms. Ouimet, and especially not when clear evidence exists of the person failing to do their job properly.

Secondly, we disagree with the Prime Minister's claim because around the same time the agreement was signed, it was made public that your office was auditing the Integrity Commissioner, an audit the Privy Council Office was aware was being conducted, and that was released on December 12, 2011 and concluded the Commissioner had failed to do her job properly in many ways.

Our position is that if the Privy Council Office / Cabinet had simply waited until your audit of the Integrity Commissioner was released in December, it could have then followed the process set out in the *Public Servants Disclosure Protection Act* (2005, c. 46) for removing the Commissioner from her position for cause, as follows:

"Tenure

39.(2) Subject to this section, the Commissioner holds office during good behaviour for a term of seven years, but may be removed for cause by the Governor in Council at any

time on address of the Senate and House of Commons."

As you very likely know, the term "on address" means putting forward a resolution in the Senate and House that the Integrity Commissioner be removed for cause, which would have to pass by a majority in the Senate and House to be implemented.

Given the widespread concern shown by Members of the House of Common and the Senate about the Commissioner's record, based upon the conclusions of your audit, it is very likely that such a resolution would have been passed by a majority of MPs and senators or that the Integrity Commissioner would have resigned when faced with the prospect of the resolution passing.

This process would have cost almost nothing, as everyone involved is already employed by the public and would have simply spent some of their work time completing the process.

Therefore, again, our position is that the agreement between PCO and Ms. Ouimet was not the least expensive solution to the situation, and so we request that you audit the agreement.

As well, given Mr. Wild's statement that such agreements are "standard practice", we request that you require every federal government institution to inform you if it has ever made such a severance payoff to anyone in its employ, and then audit at least a random sample of these payoffs to determine if they were actually the least expensive option in each situation, and whether they were aimed at covering up a situation with confidentiality clauses similar to those in the agreement reached between the Privy Council Office and the Integrity Commissioner.

In particular, we request that you audit the situation in spring 2007 when former Ethics Commissioner Bernard Shapiro left that position three years into a five-year fixed term to determine whether Mr. Shapiro received a severance payoff similar to that paid to Ms. Ouimet.

Also in particular, we request that you audit why the current Conflict of Interest and Ethics Commissioner Mary Dawson had a severance fund of more than \$840,000 at the end of fiscal year 2010, and to whom severance payments were made between 2007 to 2010 (during which time about \$100,000 average was paid in severance annually)?

We look forward to hearing back from you very soon.

Sincerely,



Duff Conacher, Coordinator of Democracy Watch
Chairperson of the Government Ethics Coalition



David Hutton, Executive Director of FAIR (Federal Accountability Initiative for Reform)

Original to follow by mail