

# Resurrecting a scandal

BY STEVIE CAMERON

Mrs. Cameron writes on national affairs for The Globe and Mail and is the author of *Ottawa Inside Out: Power, Prestige and Scandal In The Nation's Capital* (Key Porter Books, 1989).

**W**HEN A DISGRACED former member of Parliament dug up a long-buried scandal last week, it must have raised shivers in some quarters, delight in others and questions everywhere.

Whatever the reaction, it is clear that the scandal is far from dead.

Michel Gravel is the former Conservative MP for Quebec's Gamelin riding who was convicted in 1988 on 15 counts of fraud and influence peddling. He rocked a hearing in Montreal last week when he testified that he passed on thousands of dollars' worth of bribes from businessmen seeking government contracts to Roch LaSalle, minister of public works from 1984 to 1986 and then minister without portfolio until his resignation in February, 1987.

Mr. LaSalle has angrily denied Mr. Gravel's allegations. But RCMP officers acknowledge that they are taking a second look at the case.

It was the first time Mr. Gravel has ever publicly testified about the activities that sent him to jail for two months and cost him \$50,000 in fines.

His trial was to have begun three weeks after the 1988 federal election, but he pleaded guilty despite having declared his innocence for 2½ years and having taken his case to the Supreme Court of Canada in a bid to have charges dropped.

The long delay in coming to trial coupled with the guilty plea prevented serious embarrassment to the government. Prosecutors had scheduled 17 witnesses

**Details of bribes and \$40,000 collected at a lobster feast stayed under the carpet in 1988 — this time will they emerge to embarrass Ottawa?**

including Mr. LaSalle and Suzanne Blais-Grenier, another former environment minister who had been kicked out of the Tory caucus in August, 1988, for saying her party had a sophisticated system for collecting a percentage of government contracts.

The RCMP spent one day investigating her charges and said it had found them unsubstantiated. Mrs. Blais-Grenier said she was looking forward to testifying at the Gravel trial to give her side of the story, but that opportunity vanished with his guilty plea.

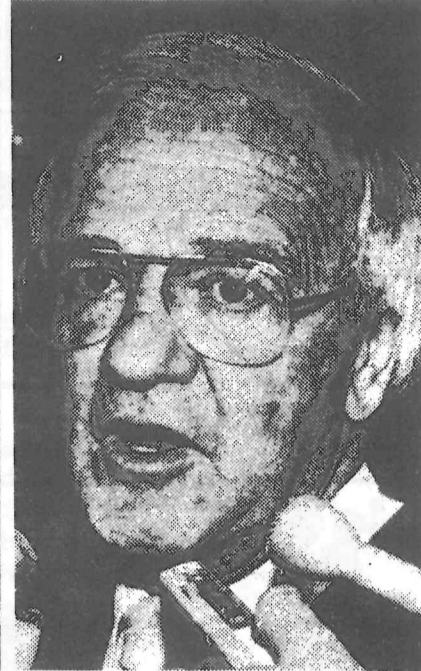
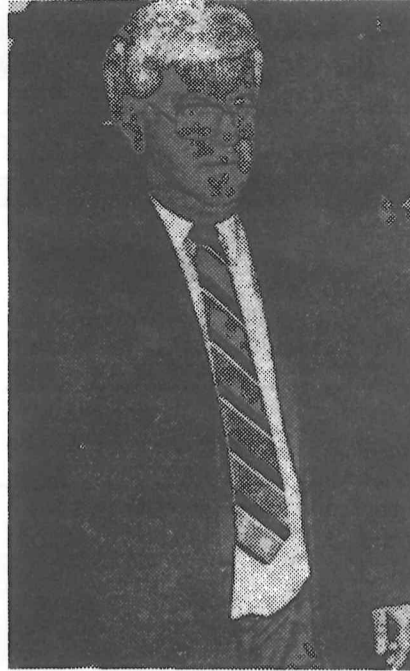
The suggestions of wrongdoing promptly died down, and didn't flare up again until the disciplinary arm of the Quebec Order of Engineers began its public hearings into the allegations that some of its members had given money to Mr. Gravel.

Most of the 50 counts of bribery, corruption and influence peddling laid against Mr. Gravel in 1986 related to contracts on the new Museum of Civilization in Hull, Que., a project supervised by Mr. LaSalle's ministry.

The Crown based its case on testimony from Hull and Ottawa businessmen who said they had paid bribes to win museum contracts. Several said they had paid \$5,000 in \$100 bills to attend a July 10, 1985, lobster feast Mr. Gravel held in Mr. LaSalle's honor at his Montreal home.

Other contributions included a new washer, dryer and dishwasher for Mr. Gravel's Hull apartment and a new bathroom for his roommate, Vaudreuil MP Pierre Cadieux, now the Solicitor-General and the man responsible for any RCMP investigation into Mr. Gravel's allegations.

Those accused of making the payments



Gravel (left), LaSalle: is the RCMP 'being screwed around' by the government?

included two Quebec engineers, Florient Toutant of St. Hubert and Nean-Nil Planete of Granby. When the Order of Engineers' hearings opened three weeks ago, Simon Venne, a lawyer for the order, described the two as members of a "corrupt cartel" of Tory supporters.

Mr. Toutant denied that he had paid any bribes, but RCMP Inspector Jean-Pierre Witty, who had worked on the Gravel investigation, testified that Mr. Toutant told him he'd paid \$5,000 to attend the party.

The revival of the Gravel case, with its all its ties to Mr. LaSalle and other government figures, has led two MPs, Liberal Don Boudria and New Democrat John Brewin, to ask for more information.

"I want a royal commission to look at every aspect of how public works and supply and services contracts were issued between 1984 and 1988," says Mr. Boudria.

Mr. Brewin says that on three occasions he has asked in the Commons for a public inquiry into the administration of justice. "I want to know if the RCMP is being screwed around by the government." He cites three cases in addition to the Gravel-LaSalle affair that he feels make such an inquiry necessary:

■ The Doug Small budget leak case, with its allegations of political pressure on the RCMP to charge Mr. Small;

■ The Michel Cogger affair, which suggests the Tory senator may have been set up by RCMP officers in a "sting" operation to see if he would accept kickbacks on a contract;

■ The case of Richard Grise, another former Tory MP who went to jail on fraud convictions but whose charges were ordered delayed by former RCMP assistant commissioner Henry Jensen until the day after the 1988 election.

**W**HY, AFTER protesting his innocence for so long, did Michel Gravel finally testify, and reopen a scandal the government had hoped was dead?

He says it was because he was under oath and had to, but well-informed Montreal sources say that he had expected some assistance from his party after pleading guilty in 1988 and failed to receive it.

Then Revenue Canada said he would have to pay income tax on the \$40,000 collected at the lobster party.

Mr. Gravel told The Montreal Gazette last week that he signed an affidavit with Revenue Canada stating that he had passed along all the money to Mr. LaSalle but for \$5,000 to cover the costs of putting on the party. The tax collectors' position is that he received the money and has to pay the tax.

## 'I was already paying the party'

**M**ICHEL GRAVEL isn't the only person to make allegations against Roch LaSalle. One of the more colorful of them is Glen Kealey, an Ottawa printing executive, real-estate developer and former vice-president of the Conservative Party's Hull-Aylmer riding association.

In 1985, Mr. Kealey set up a company to construct an office building in Hull, Que., and soon won promises that the provincial and municipal governments would lease space. To persuade the federal government to do the same, he hired well-connected Ottawa lobbyists such as Keith Hamilton, a member of Prime Minister Brian Mulroney's personal staff who was running a lobbying business on the side and who charged him \$80,000 for his help.

Even so, Mr. Kealey was abruptly turned down for a federal lease, a decision he blames on his refusal to pay a bribe to Mr. LaSalle.

In a formal complaint to an Ottawa court, he says that, during a breakfast meeting at Nate's, an Ottawa restaurant, Mr. LaSalle asked him for a \$5,000 down payment and 5 per cent of the value of the government's contract.

Mr. Kealey was eventually forced to declare bankruptcy and is now a familiar sight in front of the House of Commons, where he protests against his treatment and loudly proclaims dishonesty in the

highest Tory ranks. For two years, Mr. LaSalle denied the accusations. However, in two recent radio interviews, he admitted that he asked Mr. Kealey for money, but said it was for the Conservative Party rather than himself.

Mr. Kealey says otherwise, insisting that Mr. LaSalle asked for cash for himself. "I was already paying the party," he says. "I gave \$1,000 to the Hull PCs in 1985 and another \$1,000 to the PC Canada Fund in 1986. I was a member of the 500 Club."

In March, using a rarely applied section of the Criminal Code, Mr. Kealey filed a complaint accusing Mr. LaSalle, former federal ministers André Bissonnette and Michel Côté, former Tory aides Bernard Roy, Pierre Claude Nolin (who worked for both Mr. LaSalle and Mr. Mulroney), Pierre Paul Bourdon and Michel Deschenes and Ottawa lobbyist Frank Moores of conspiring to extract kickbacks on government contracts.

He also complained that three senior RCMP officers, including Commissioner Norman Inkster, had conspired to limit the investigation. A court hearing into whether charges should be pressed has been stopped at the request of the federal justice department until the Ontario Appeal Court decides whether the proceedings should be held in camera.

— S.C.