

iPolitics: SNC strikes deal to avoid corruption charge

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1SNC-Lavalin's head office in Montreal. (SNC-Lavalin photograph)

Charges of corruption against the Montreal engineering company SNC-Lavalin, which on conviction would have prevented the company from bidding on federal government and international contracts, have been dropped.

In a Montreal courtroom Wednesday, attorneys for SNC-Lavalin Construction announced that after negotiations with the Public Prosecution Service of Canada, the SNC-Lavalin division had agreed to plead guilty to committing fraud in Libya in the period of 2001 to 2011.

As well, the prosecution agreed to drop charges of corruption against SNC-Lavalin Construction, its parent company SNC-Lavalin Group and SNC-Lavalin International.

All charges against SNC-Lavalin Group and SNC-Lavalin International have been dropped.

SNC-Lavalin Construction has agreed to pay a fine of \$280 million over five years and will be on probation for three years.

In a news scrum, federal prosecutor Richard Roy called the settlement “effective, proportionate and dissuasive.”

“We are stopping the procedures,” Roy said of the corruption charges, adding that this sort of negotiated settlement was a “common practice.”

Asked whether SNC-Lavalin would be free to bid on federal contracts, Roy said he could not speak on this aspect.

SNC-Lavalin was in court Wednesday one day after Sami Bebawi, a former SNC-Lavalin executive, was found guilty of fraud and corruption of a foreign agent, for the benefit of SNC-Lavalin, related to company’s Libyan contracts.

The company was awarded major construction contracts in Libya under the dictatorship of Mouammar Kadhafi. The fraud charges relate to payments and gifts, including a \$25-million yacht, for Saadi Kadhafi, the dictator’s eldest son.

Last year SNC-Lavalin attempted to negotiate a settlement with the prosecution service that would have avoided a corruption conviction.

Then-attorney general of Canada, Jody Wilson-Raybould, resisted repeated requests from the office of Prime Minister Justin Trudeau asking her to overrule the decision of the prosecution service to stop corruption charges against SNC-Lavalin.

After federal Ethics Commission Mario Dion ruled that Trudeau violated the Conflict of Interest Act by leaning on Wilson-Raybould to grant a deferred

prosecution agreement, Trudeau said he accepted “full responsibility” but said his aim was to protect jobs at SNC-Lavalin.

Wilson Raybould was shuffled out of the justice portfolio, which includes the function of attorney general, the federal government’s lawyer.

She later resigned her new cabinet position as minister of veterans affairs and was pushed out of the Liberal Party of Canada, along with her cabinet ally Jane Philpott, who resigned from her position as president of the treasury board to protest the treatment given to Wilson-Raybould.

Running as an independent, Wilson-Raybould was re-elected in the Oct. 21 federal election in her Vancouver-Granville riding.

Philpott also ran as an independent in her Markham–Stouffville riding in the Toronto suburbs, but lost.

Quebec Premier François Legault called the outcome “encouraging.”

“We shouldn’t penalize all the employees for that,” Legault told reporters, saying the company now is free to bid on federal contracts. As well, he is confident SNC-Lavalin will maintain its head office in Quebec. The possibility that on conviction on corruption charges that the company would shift its head office outside Canada.