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The Mob, politics, and construction: Corruption report rocks Quebec

THE CANADIAN PRESS  By Alexander Panetta, The Canadian Press | The Canadian Press – Fri, 16 Sep, 2011

MONTREAL - Two years of pent-up scandal in Quebec has erupted with details of an elaborate web of corruption implicating the construction industry, political parties and criminal groups like the Mafia.

The scam reportedly involves crooked civil servants colluding with construction companies and helping exploit loopholes in the tendering process, allowing them to charge more for public-works contracts.

The companies, allegedly tied to the Mob and criminal biker gangs, would then use some of that extra profit as contributions into the coffers of political parties.

Those sensational conclusions were outlined in a document produced by the province's new anti-corruption unit, which leaked to Quebec media outlets, which calls the construction industry "gangrenous." The document was first reported Thursday by Radio-Canada, which first reported on it.

The news was greeted as a bombshell.

While the province has, over the last two years, become increasingly used to allegations of systemic rot in the tendering process, it has not seen them emerge on such a scale and from such a source.

The anti-corruption unit is led by a former Montreal police chief and was created by the provincial government in response to a plethora of scandals over the last two years.

The reactions Thursday were swift and the potential reverberations wide-ranging.

Thirteen cases have been transferred to police for criminal investigations, the document announced. Meagan O'Rourke, the province's elections watchdog immediately declared plans to probe deeper, saying the allegations represented a set of efforts to clean up political financing.

One small opposition party, Quebec solidaire, said Premier Jean Charest now has three options: call a snap election, or resign.

Another opposition leader summed it up, not so much as a surprise, but as a depressing truth.

"Our worst fears are confirmed," said the Action démocratique du Québec's Gerald Deltell.

"It's right there, in black and white, written by an investigator who is beyond all reproach, who says a sy Quebec ... that winds up inflating price tags to launder money and then finance political parties."

The document says that, even after two years of scandals, the level of collusion uncovered was on an "ur also says the actual scope of corruption is so massive that it risks actually "usurping certain functions of

The study cites a key source of the problem: a weak, expertise-starved Transport Department that is inc and losing talent to well-paying private firms. As a result, the government is ill-equipped to scrutinize te projects are being run correctly.

Then companies run up the bill, thanks to well-connected staff and friendly civil servants who help iden for so-called "extras." The report says that, last year alone, there was a \$347-million difference between amounts and the final price tag.

The document describes an underground economy where drug money winds up on the same table as pu contracts and political party donations, exchanging hands from one area to the next.

Central to that alleged economy is the relationship between construction companies and crime groups.] often financial partners, the report says, but the Mafia and bikers often act as enforcers for friendly firm creating red tape to frustrate rival companies that refuse to co-operate with them.

The benefits for the Mob are two-fold: not only is there new profit to be made from construction but als old cash, from the drug trade, into cleanly laundered profits ready to be funneled into respectable busin

"If organized crime has infiltrated the construction industry it's because there's a lot of cash money flow report says.

"It's interesting to note that, in essence, the principal source of revenue for organized crime is drug-trafi construction contracts represent, to criminal organizations, a coveted tool for laundering money. Reven injected into legitimate projects - but not before a percentage gets paid to those who facilitated the man

The revelations risk becoming a public-relations nightmare for the Charest government.

Opposition parties have been demanding a public inquiry and calls for such a probe will only grow now. government has stood its ground and insisted a massive police dragnet is the best way to handle the cris

Quebec Transport Minister Pierre Moreau expressed regret Thursday that the document had been leake public release could tip off suspects to the fact that investigators are on to them.

The government had declined to release the contents to the general public before Radio-Canada published "What matters to me, as a Quebecer, is that the bandits wind up behind bars," Moreau told reporters in Montreal. He also tried to cut off renewed demands for an inquiry.

Moreau cited the report as proof that the government is on the right track and that it made a wise choice in appointing Montreal police chief Jacques Duchesneau to head the unit.

"Our government gave Mr. Duchesneau the mandate (to examine this)," Moreau said.

"We had the courage to say, 'Let's examine this with the help of someone who is competent and trustworthy,'" Moreau said. He also sought to defend the reputation of his department and of Quebec's civil service. He noted that the Department has 6,000 employees _ and that the vast majority are honest.

However, "there are rotten apples," he conceded.

"That's what the report seems to say."

Francois Legault, who is expected to create a new right-of-centre political party and compete for power in the next election, said the government must immediately remove some of those ``bad apples" from their duties.

(With files from Lia Levesque in Montreal and Alexandre Robillard in Quebec City)

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