



Public Prosecution
Service of Canada

Service des poursuites
pénales du Canada

PUBLIC PROSECUTION SERVICE OF CANADA

ANNUAL REPORT
2014-2015

Canada

If you would like to know more about the Public Prosecution Service of Canada (PPSC), please refer to the following documents, both of which are available through our website at www.ppsc-sppc.gc.ca:

- The *Director of Public Prosecutions Act*
- The *Public Prosecution Service of Canada Deskbook*

Public Prosecution Service of Canada Annual Report 2014–2015

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Public Prosecution
Service of Canada

Service des poursuites
pénales du Canada

Office of the Director
of Public Prosecutions

Bureau du directeur
des poursuites pénales

Ottawa, Canada
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JUN 30 2015

The Honourable Peter Gordon MacKay, P.C., Q.C.
Minister of Justice and Attorney General of Canada
House of Commons
Ottawa, Ontario K1A 0A6

Dear Attorney General:

Pursuant to section 16(1) of the *Director of Public Prosecutions Act*, I am pleased to present you with the 2014–2015 Annual Report of the Public Prosecution Service of Canada. The report covers the period from April 1, 2014 through March 31, 2015.

Sincerely,

Brian Saunders
Director of Public Prosecutions

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MESSAGE FROM THE DIRECTOR OF PUBLIC PROSECUTIONS

I am pleased to present the *Annual Report 2014–2015* of the Public Prosecution Service of Canada (PPSC).

The PPSC is responsible for prosecuting cases under federal jurisdiction in a manner that is fair, impartial, and objective, and for providing high-quality legal advice to investigative agencies.

Over the past year, PPSC prosecutors have worked on a wide range of cases, many of which were highly complex and attracted considerable public attention. The increasing focus of investigative agencies on combating terrorism, for example, has prompted us to assign additional counsel in offices across Canada to work on these proceedings.

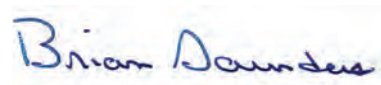
Through all of their work, our prosecutors exemplified the PPSC's key values of respect, integrity, excellence, and leadership.

In 2014–2015, the PPSC welcomed the Commissioner of Canada Elections to the organization. A statement of principles was developed to reflect the fact that the Commissioner and the Director exercise their statutory duties independently from each other, even while operating within the same organization.

The PPSC Executive Council has renewed its strategic organizational priorities for 2015–2016, and expects to continue to work on these priorities over the next few years. They are:

- excellence in prosecution management;
- employee training and development; and
- working collaboratively with investigative agencies.

I would like to thank all PPSC employees for their hard work and dedication throughout the year, which enable the organization to consistently deliver on its mandate.



Brian Saunders
Director of Public Prosecutions



1 THE PUBLIC PROSECUTION SERVICE OF CANADA – AN OVERVIEW

The Public Prosecution Service of Canada (PPSC) is an independent and accountable prosecuting authority whose main objective is to prosecute cases under federal jurisdiction in a manner that is free from any improper influence.

Mandate

The mandate of the PPSC is set out in the *Director of Public Prosecutions Act*. The Act empowers the Director of Public Prosecutions (DPP) to:

- initiate and conduct federal prosecutions;
- intervene in proceedings that raise a question of public interest that may affect the conduct of prosecutions or related investigations;
- issue guidelines to federal prosecutors;
- advise law enforcement agencies or investigative bodies on general matters relating to prosecutions and on particular investigations that may lead to prosecutions;
- communicate with the media and the public on all matters that involve the initiation and conduct of prosecutions;
- exercise the authority of the Attorney General of Canada in respect of private prosecutions; and
- exercise any other power or carry out any other duty or function assigned by the Attorney General of Canada that is compatible with the office of the DPP.

For the purposes of carrying out these statutory responsibilities, the DPP is the Deputy Attorney General of Canada.

The Director of *Public Prosecutions Act* also empowers the DPP to:

- initiate and conduct prosecutions under the *Canada Elections Act*; and
- act, when requested by the Attorney General of Canada, in matters under the *Extradition Act* and the *Mutual Legal Assistance in Criminal Matters Act*.

The DPP has the rank and status of a deputy head of a department, and in this capacity is responsible for the management of the PPSC as a distinct governmental organization.

With the exception of *Canada Elections Act* matters, the Attorney General can issue a directive to the DPP about a prosecution or assume conduct of a prosecution, but must do so in writing and a corresponding notice must be published in the *Canada Gazette*. In turn, the DPP must inform the Attorney General of any prosecution or planned intervention that may raise important questions of general interest.

Mission and Values

Mission

The mission of the PPSC is to serve the public by:

- prosecuting cases with diligence, in a manner that is fair, impartial, and objective;
- seeking to protect the rights of individuals and to uphold the rule of law; and
- working within the criminal justice system to make Canada a safe and just society.

Values

In carrying out its mandate, the PPSC is guided by key values:

- **Respect** forms the basis of relationships with fellow employees and with the public.
- **Integrity** motivates employees to apply the highest ethical and professional standards.
- **Excellence** inspires employees in all aspects of their work.
- **Leadership** characterizes the organization's efforts to improve the quality of criminal justice throughout Canada.

Assignments and Directives

On June 16, 2014, the Attorney General issued a directive instructing federal prosecutors and persons acting as federal prosecutors to follow the directives set out in the *Public Prosecution Service of Canada Deskbook*. The *PPSC Deskbook* replaced the *FPS Deskbook*, a publication created by the former Federal Prosecution Service of the Department of Justice Canada, and the Attorney General's directive also rescinded the previous directive instructing prosecutors to follow the *FPS Deskbook*.

The Attorney General did not issue any assignments to the DPP in 2014–2015, nor did the Attorney General assume conduct of any prosecutions.

Roles and Responsibilities

The PPSC prosecutes charges with respect to offences created by federal laws. Charges are laid following an investigation by a law enforcement agency. The PPSC is not an investigative agency and does not conduct investigations.

The separation of law enforcement from the prosecution function is a well-established principle of the Canadian criminal justice system. However, cooperation between investigators and prosecutors can be essential, particularly in the context of large and complex cases. Certain investigative tools, such as an application for a wiretap authorization, are only obtained on application to the court by a prosecutor. As a result, the PPSC often provides legal advice and assistance to law enforcement officials in the investigative stage.

In all provinces and territories except Quebec and New Brunswick, the PPSC is responsible for prosecuting all drug offences under the *Controlled Drugs and Substances Act* (CDSA), regardless of which police agency investigates the alleged offences. In Quebec and New Brunswick, the PPSC prosecutes only drug offences investigated by the Royal Canadian Mounted Police (RCMP).

In all provinces and territories, the PPSC prosecutes charges under federal statutes such as the *Income Tax Act*, the *Fisheries Act*, the *Excise Act*, the *Customs Act*, the *Canadian Environmental Protection Act, 1999*, and the *Competition Act*, as well as conspiracies and attempts to violate those statutes. In total, over 250 federal statutes contain offences that fall under the PPSC's jurisdiction to prosecute, and the PPSC regularly prosecutes offences under approximately 40 of those statutes.

The PPSC is responsible for prosecuting all *Criminal Code* offences in the territories. In the provinces, the PPSC prosecutes a limited number of *Criminal Code* offences, including those related to terrorism, criminal organizations, money laundering, proceeds of crime, and fraud.

Under arrangements with the provinces, the PPSC may also prosecute *Criminal Code* offences that are otherwise within provincial jurisdiction when the accused also faces charges within federal jurisdiction.

Role of the Prosecutor

Prosecutors play a key role in the Canadian criminal justice system. This role is quasi-judicial in nature, imposing on prosecutors the duty to be objective, independent, and

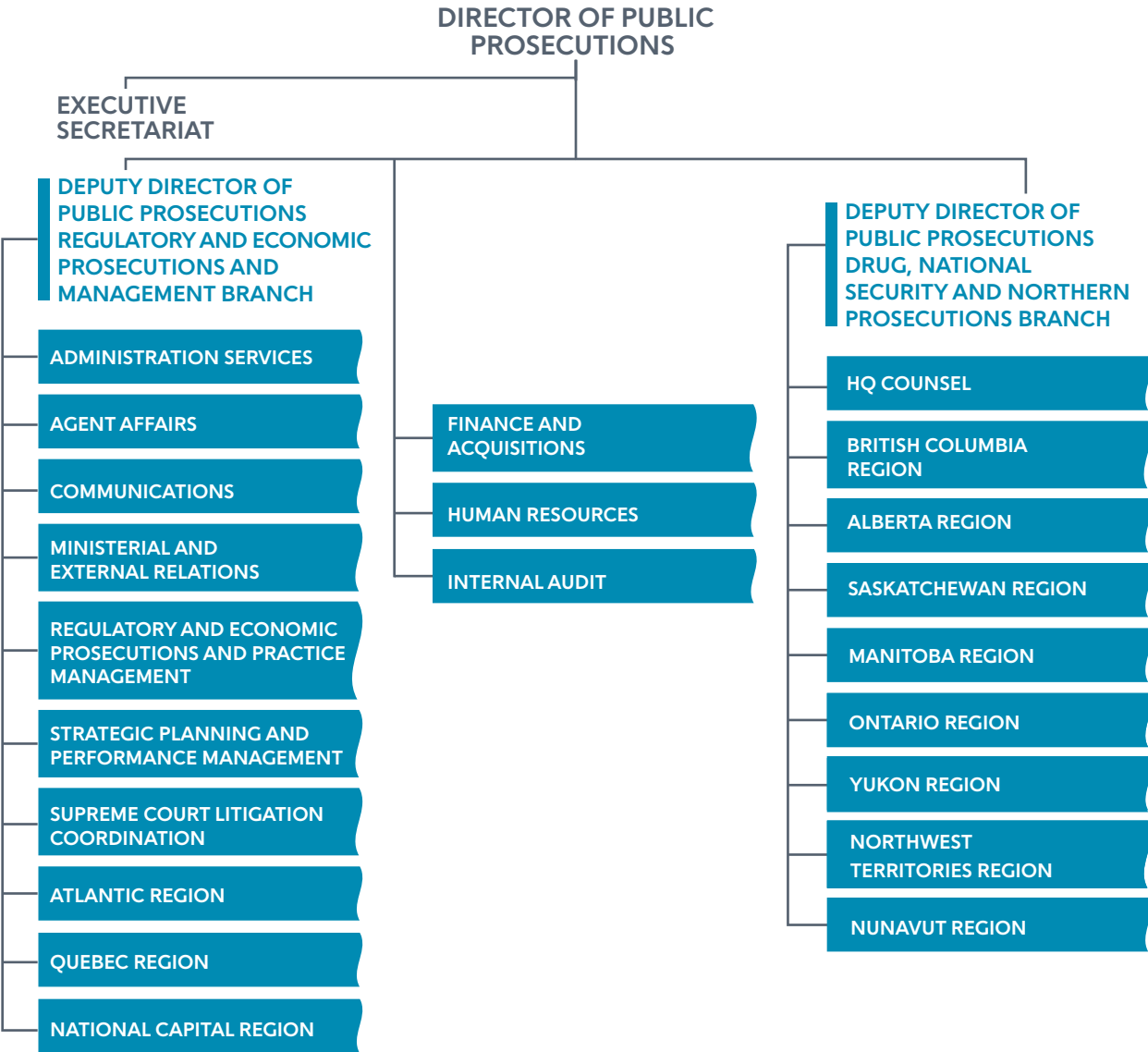
dispassionate. They must see that all cases deserving of prosecution are brought to trial and prosecuted with competence, diligence and fairness. Prosecutors must be of integrity, above all suspicion, and must exercise the considerable discretion bestowed on them fairly, in good faith, and without any consideration of the political implications of their decisions. Their role is not to win convictions at any cost, but to put before the court all available, relevant, and admissible evidence necessary to enable the court to determine the guilt or innocence of an accused.

About the Organization

As of March 31, 2015, the PPSC had 1,031 employees, 526 of whom were lawyers. In addition to staff prosecutors, the PPSC retained the services of approximately 183 private-sector law firms, or 410 individually appointed lawyers, as standing agents.

PPSC Headquarters is located in Ottawa, and the organization maintains a network of regional and local offices across Canada.

Organizational Structure



Partners

Department of Justice Canada

The PPSC maintains a close and cooperative working relationship with the Department of Justice Canada. PPSC prosecutors consult Justice counsel in areas such as human rights law, constitutional law, Aboriginal law, and public law.

The PPSC relies on the Department of Justice for some internal and system-related services, such as payroll, library, and reception services. Memoranda of understanding have been developed to govern the corporate and legal services provided by the Department of Justice and the PPSC to each other.

Investigative Agencies

The PPSC provides advice to law enforcement agencies on request during their investigations. The early involvement of prosecutors during investigations ensures that investigators receive timely advice on the techniques they are using and that evidence is gathered in a manner that complies with the *Canadian Charter of Rights and Freedoms* and the laws of evidence.

Provinces and Territories

The federal and provincial governments share jurisdiction over prosecutions. This shared jurisdiction means cooperation and coordination are essential to the effective enforcement of the law. The PPSC and provincial prosecution services have standing and ad hoc arrangements that allow the prosecution service prosecuting

an offence within its jurisdiction to also prosecute related “minor” offences that would normally fall under the jurisdiction of the other prosecution service. For example, the PPSC may prosecute a *Criminal Code* offence that is within provincial jurisdiction with the consent and on behalf of a provincial attorney general when it is related to a more serious federal charge. Similarly, provincial prosecution services may prosecute a federal offence when it comes about in relation to a more serious offence under the *Criminal Code*.

In the territories, all *Criminal Code* prosecutions are conducted by the PPSC. The PPSC also has arrangements with the territories to conduct certain territorial prosecutions.



Project Khemistry

Project Khemistry involved several individuals charged with drug trafficking and conspiracy to traffic offences as a result of an RCMP (K Division) wiretap investigation that started in 2010. Jason Croft and Jonathan Aldaba were convicted of conspiracy to traffic in wholesale amounts of methamphetamine after a multi-week jury trial, which involved several months of pre-trial motions. Mr. Aldaba was sentenced to eight years' imprisonment. Mr. Croft later pleaded guilty to other charges of trafficking in wholesale amounts of cocaine and methamphetamine and an isolated firearms incident, also arising from the investigation, and received a total sentence of 12 years. Mr. Croft is currently appealing his sentence. Their co-accused, Steven Whipple, was acquitted on the conspiracy charge; his case is under Crown appeal.

A black and white photograph of the Frontenac County Court House, a grand neoclassical building with a large dome and columns. The text 'FRONTENAC COUNTY COURT HOUSE' is visible on the pediment. A large white number '2' is overlaid on the left side of the image.

2 THE YEAR IN REVIEW

In 2014–2015, the PPSC worked on 79,987 files. This figure includes 47,521 files opened during the year, as well as 32,466 carried over from previous years. A file typically consists of an information or an indictment and may include more than one charge, involve more than one accused, and include charges under multiple statutes.

On October 1, 2014, following the coming into force of amendments to the *Canada Elections Act*, the Commissioner of Canada Elections (CCE) was transferred from Elections Canada to the PPSC.

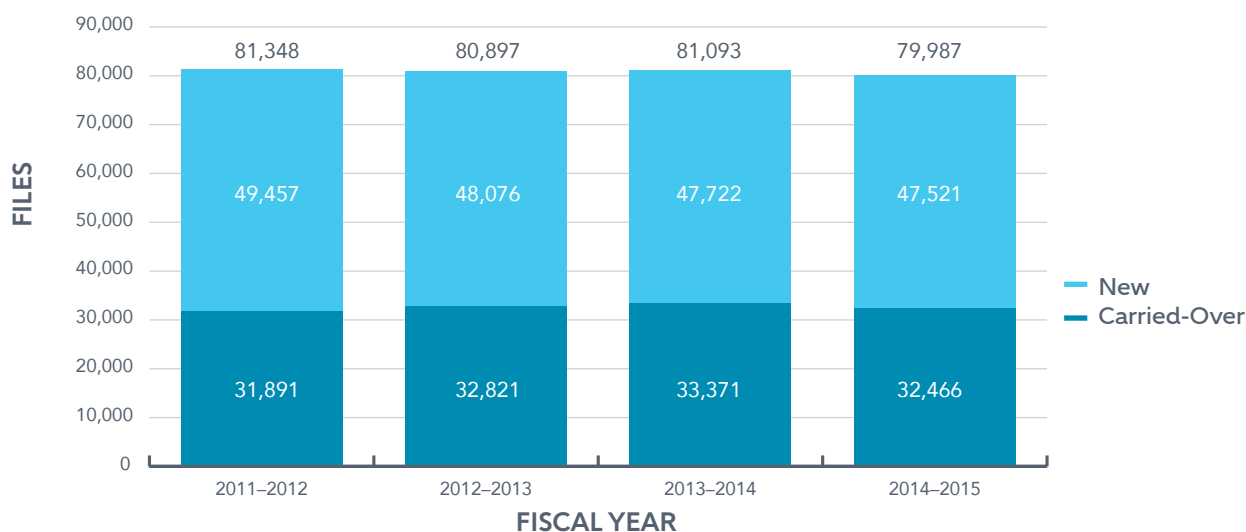
The CCE is responsible for ensuring that the *Canada Elections Act* and the federal *Referendum Act* are complied with and enforced. As a result of the transfer, the CCE's employees are now PPSC employees, while remaining operationally independent. A statement of principles was jointly approved by the CCE and the DPP, which reflects the fact that the CCE and the DPP exercise their statutory duties independently from each other, even while operating within the same organization.

PPSC internal services now provide support to the CCE in several areas not related to the

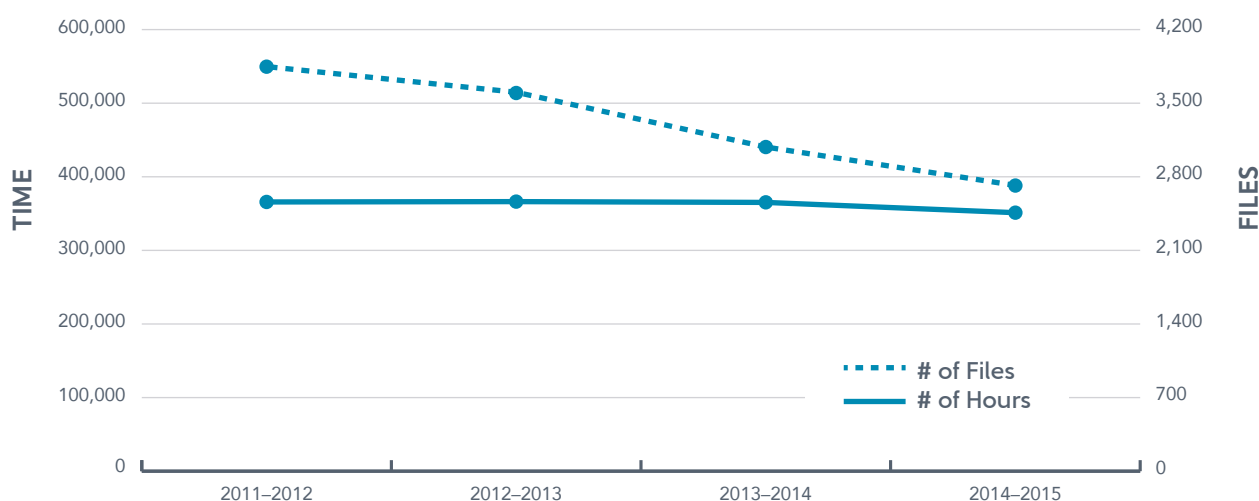
investigative function, including accommodations, human resources, and finance.

This report includes a section provided by the CCE on his activities under the *Canada Elections Act* in the last fiscal year.

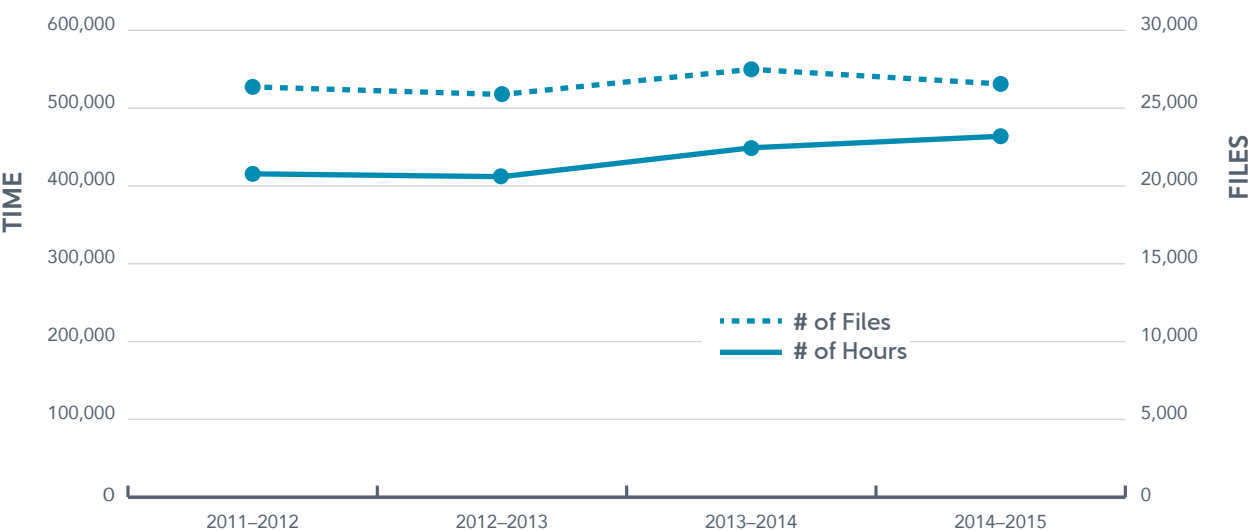
New Files and Carried-Over Files Over the Past Four Fiscal Years



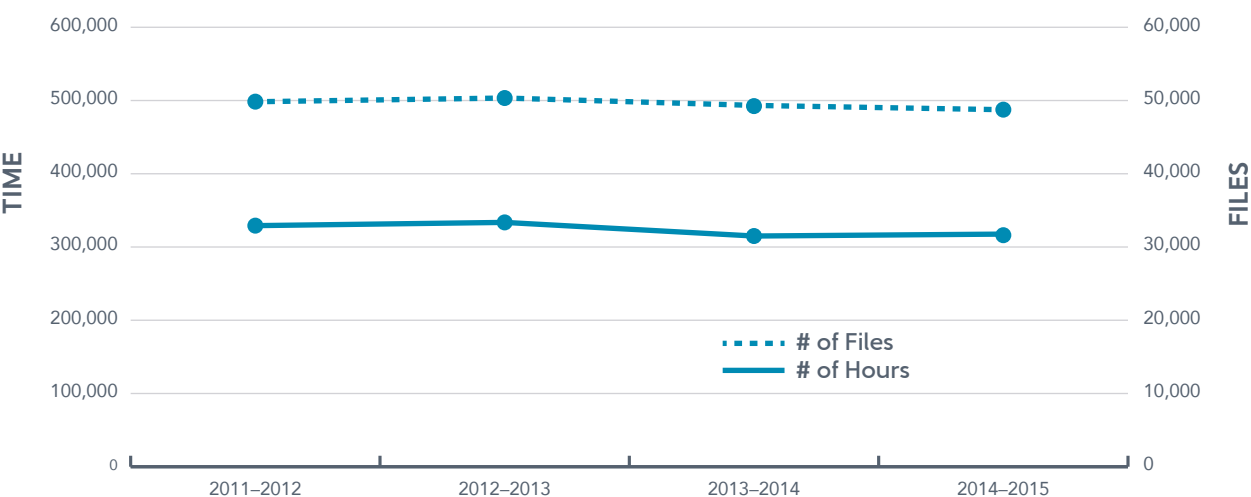
High-Complexity Files Over the Past Four Fiscal Years – Number of Files and Time Spent



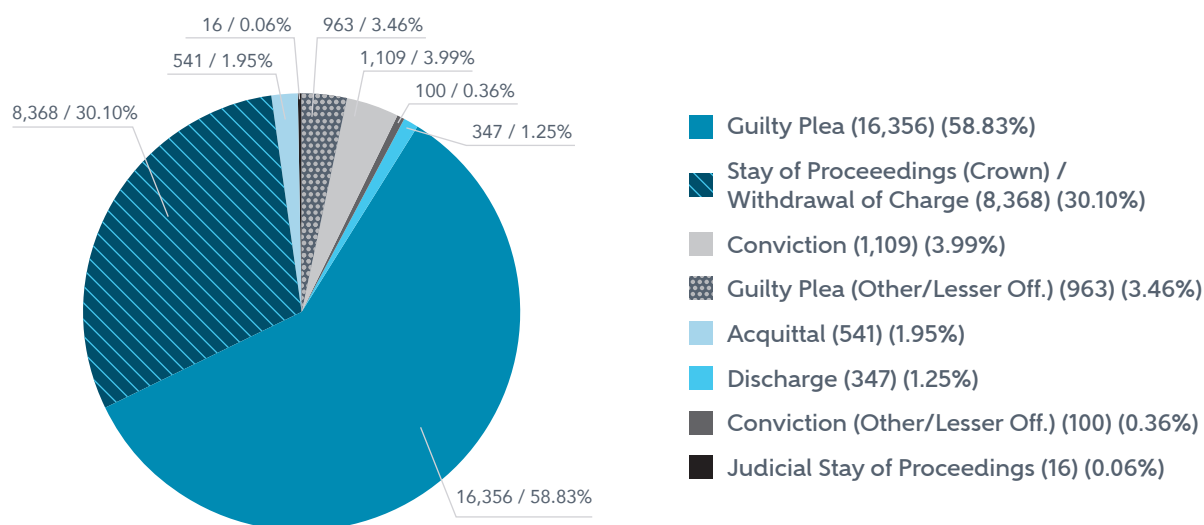
Medium-Complexity Files Over the Past Four Fiscal Years – Number of Files and Time Spent



Low-Complexity Files Over the Past Four Fiscal Years – Number of Files and Time Spent



Most Serious Outcome for Each File



National Security

Anti-terrorism

Since 2001, 45 individuals have been charged with terrorism offences in Canada.

The investigation and prosecution of terrorism offences bring together the efforts of law enforcement, intelligence agencies, and prosecution services. To fulfill its mandate in this area, the PPSC engages in ongoing communication with investigative agencies and takes their operational requirements into account when allocating resources.

In addition to a group of senior counsel at headquarters, counsel are assigned in each regional office to fulfill the PPSC's advisory or prosecution role, and to assist with training for law enforcement officers.

Beyond providing advice to the police, the PPSC decides whether to provide the Attorney General's consent for applications for recognizances with conditions and terrorism peace bonds and for the initiation of prosecutions. These decisions are the product of a review of the evidence by investigators and prosecutors, both in regional offices and at headquarters. Such consent was granted seven times in 2014–2015.

The Project Samossa prosecution in Ottawa was completed in 2014. Hiva Alizadeh pleaded guilty to an explosives-related terrorism offence and received a 24-year jail sentence. Misbahuddin Ahmed was convicted by a jury of two of three related terrorism offences and sentenced to 12 years in jail. Khurram Syed Sher was acquitted of conspiring to facilitate a terrorist activity in a separate trial by judge alone. The dispositions against Mr. Alizadeh and Mr. Sher are final. Mr. Ahmed is appealing his sentence and the Crown has cross-appealed. The appeals have yet to be heard.

Project Smooth

On March 20, 2015, after approximately 10 days of deliberation, an Ontario Superior Court jury in Toronto found Raed Jaser, 37, and Chiheb Esseghaier, 32, guilty of conspiring to commit murder in association with a terrorist group, contrary to s. 83.2 of the *Criminal Code*. Chiheb Esseghaier was also found guilty of conspiring to interfere with transportation facilities for the benefit of a terrorist group. That charge related to a plan to derail a VIA Rail passenger train travelling between New York and Toronto. The jury was unable to return a verdict on that count against Raed Jaser. Chiheb Esseghaier and Raed Jaser were also found guilty of multiple counts of participating in the activities of a terrorist group, contrary to s. 83.18(1), which each carry maximum penalties of ten years' imprisonment. Sentencing hearings are scheduled to start in July 2015.

R. v. Sona

On August 14, 2014, Michael Sona was found guilty in the Ontario Court of Justice, in Guelph, Ontario, of one offence under the *Canada Elections Act*. He had been charged in April 2013 with wilfully preventing or endeavouring to prevent an elector from voting in the 2011 federal general election.

On November 19, 2014, he was sentenced to nine months in prison plus 12 months of probation. The PPSC filed a Notice of Appeal against sentence, on December 15, 2014, on the basis that the sentence imposed by the trial judge was demonstrably unfit and failed to reflect the gravity of the offence.

Both Mr. Sona and the PPSC have appealed the sentence; those appeals are ongoing.

Crimes Against Humanity and War Crimes

In December 2014, the Supreme Court of Canada refused leave to Désiré Munyaneza to appeal the decision of the Court of Appeal of Quebec, which upheld his convictions for seven offences under the *Crimes Against Humanity and War Crimes Act*.

There were no new charges laid for crimes against humanity or war crimes and there are no cases pending.

Security of Information

Qing Quentin Huang was committed to stand trial for communicating and attempting to communicate to a foreign entity, contrary to the *Security of Information Act*, information that the Government of Canada is taking measures to safeguard, and for breach of trust under the *Criminal Code*. A trial date has not yet been scheduled.

Canada Elections Act Prosecutions

The PPSC is responsible for the prosecution of offences under the *Canada Elections Act*. The CCE refers cases to the PPSC when the CCE believes on reasonable grounds that an offence under the Act has been committed. Based

on his review of the file, the DPP decides whether to initiate a prosecution. PPSC prosecutors also provide legal advice to the CCE during the investigative stage.

While *Canada Elections Act* prosecutions were excluded from previous PPSC annual reports, they are now included, following amendments to the *Director of Public Prosecutions Act*.

On October 31, 2014, Dean Del Mastro and Richard McCarthy were found guilty of offences under the *Canada Elections Act*, relating to the 2008 federal general election, in the electoral district of Peterborough, Ontario. They are expected to be sentenced in late June 2015.

Drug Prosecutions

Drug prosecution files represent a significant proportion of the PPSC's total caseload. In 2014–2015, the PPSC handled 64,464 prosecution files related to offences under the *Controlled Drugs and Substances Act* (CDSA). Of those, 37,520 files were new and 26,944 were carried over from previous years. These prosecutions vary greatly in complexity, ranging from simple cases of possession of small quantities of marijuana to complex schemes to import large quantities of cocaine or to manufacture methamphetamine for domestic use or for export.

High-complexity drug cases required a significant amount of PPSC resources. These prosecutions typically involved challenges to the conduct of the investigation, the constitutionality of the legislation, disclosure, allegations of abuse of process, and unreasonable delay. While high-complexity files represented only 2.35% of staff counsel's drug caseload in 2014–2015, they took up 36.24% of the time dedicated to drug prosecutions.

Drug offences are frequently revenue-generating crimes, and continued to represent the majority of offences prosecuted by the PPSC that led to the forfeiture of proceeds of crime and of the property used to commit the crime ("offence-related property"). In 2014–2015, the PPSC handled 14,179 CDSA files involving either proceeds of crime or offence-related property (6,500 were carried over from previous years, and 7,679 were new). The proceeds or property at issue ranged from the money used to buy drugs from an undercover officer to real estate bought with proceeds of crime or used to produce drugs.

Addiction-motivated crime presents particular challenges. To try to address the addiction and to reduce the crime committed to feed it, there are a number of Drug Treatment Courts in Canada. These are located in Vancouver, Edmonton,

Project Newton

Project Newton began in mid-2010 as an undercover officer-led investigation by the Hamilton Police Service into police corruption and steroid trafficking. It quickly became a multi-jurisdictional drug investigation involving four different police forces. The investigation targeted a large-scale drug trafficking network of steroid production labs and wholesale marijuana, cocaine, and methamphetamine trafficking, spanning from Stoney Creek to Mississauga. Charges were laid in April 2011, when the undercover officer obtained 28 kg of methamphetamine from one target and a five-figure steroid order from another.

This case is an example of the successful early partnership between the PPSC and the police. Comprehensive bail packages and substantive event summaries, which included copies of some of the Crown's key evidence for trial, were prepared and handed out to counsel for the accused on the day of takedown.

Despite the scope and complexity of the investigation, and the potential for various pre-trial evidentiary challenges, the case proceeded in a streamlined and efficient way. Charges for 11 of the 20 accused were disposed of within eight months of takedown. By October of 2014, all charges had been disposed of, and only one accused had proceeded to trial (he was convicted by a jury). Sentences were handed down for possession for the purpose of trafficking and trafficking a total of 28 kg of methamphetamine (12 years, on a guilty plea) and for trafficking 1 kg of cocaine (8 years, after trial by jury).

The investigation resulted in the seizure of offence-related property including more than \$150,000 in cash, two vehicles, and a stun gun, as well as fines in lieu of forfeiture totaling \$5,100.

Calgary, Regina, Winnipeg, Toronto, Kitchener, Durham, Peterborough, Halton, London, Kenora, Ottawa, and Kentville. As well, there is a Community Wellness Court in Yukon that exercises a similar function. These courts focus on the supervised treatment of an offender. Prosecutors work with judges, defence counsel, treatment providers, and others to cooperatively but accountably deal with the issues raised by the conduct of offenders appearing before these specialized courts. PPSC prosecutors or agents currently staff all of Canada's Drug Treatment Courts with the exception of the Regina Drug Treatment Court, which is staffed by prosecutors from the Ministry of the Attorney General of Saskatchewan, although a PPSC agent attends to represent the PPSC when necessary.

Organized Crime Prosecutions

Trafficking in drugs is one of the key activities of many organized crime groups. Cases involving criminal organizations have remained high

in recent years, largely as a result of the continuing focus by police forces on the investigation of such organizations. In 2014–2015, the PPSC handled 520 serious drug offence-related files that included an organized crime element. Over the past year, PPSC prosecutors provided advisory assistance to police in respect of a number of significant organized crime investigations.

Project E-Pleura saw convictions on a conspiracy to import 97 kg of cocaine to Canada through the use of hidden compartments in farming equipment. The accused were linked to criminal organizations in Canada and drug cartels in Mexico. After a 20 week trial, sentences ranging from 7 to 14 years were imposed.

Prosecutions in Canada's North

In Canada's three northern territories, the PPSC prosecutes all *Criminal Code* offences, in addition to offences under other

federal legislation and, under arrangements with the territories, certain offences under territorial legislation. In 2014–2015, the PPSC was responsible for 8,516 files in the territories. Of these files, 7,967 involved *Criminal Code* offences (including 46 homicide or attempted murder files), 459 files involved drug offences, 133 files involved regulatory offences, and 221 files involved territorial offences. The total includes 6,174 new files and 2,342 carried over from previous years. Some of the files involved multiple offences.

The PPSC regularly deals with serious violent crime and repeat offences in the northern territories. In all northern regional offices, dedicated paralegals have been assigned to help manage applications for dangerous offender and long-term offender designations. In the Yukon, the PPSC successfully applied for dangerous offender designations relating to three persons, two of whom were convicted

of sexual assaults and one who was convicted of spousal violence. In addition, a long-term offender application was granted following a conviction for attempted murder of an RCMP officer and robbery.

Crown Witness Coordinators

The PPSC employs 18 Crown Witness Coordinators (CWCs) who provide services to victims of crime and witnesses to crime in 63 communities across the three northern territories. The role of the CWC is to help victims and witnesses understand the court process, their rights and responsibilities as witnesses, and the various roles of the court participants.

CWCs provide court accompaniment, information regarding court dates and outcomes, assistance during testimonial preparation, and individualized support during trial and sentencing hearings. CWCs also act as liaisons between the Crown prosecutor and victims and witnesses, ensuring their concerns are considered during the justice process and also ensuring that victims are referred to appropriate services in the community when necessary.

In recognition of the importance of the program and the need to increase services to victims of crime, Crown Witness Coordinator Supervisor positions were created in each northern regional office to provide increased support to the growing team of CWCs across the North.

The Crown Witness Program Coordinator provided ongoing coordination through quarterly teleconferences and video conference training sessions on various topics related to victimization. In-person training on Mental Health First Aid for Northern Peoples was provided to staff in the Yukon Regional Office and the Northwest Territories Regional Office, and will be delivered in the Nunavut Regional Office in 2015–2016.

Restorative Justice

Restorative justice practices are well-established in many communities across the North. Where there are community-based justice programs and related local justice committees, the PPSC works with communities to consider alternatives to the court process for resolving certain types of conflict

and behaviour. This practice is commonly known as diversion. In essence, this means in cases where charges have been laid and where the prosecutor deems it appropriate and in accordance with the *PPSC Deskbook*, the local community justice committee may be consulted to determine if the resolution of a particular accused's matter can be addressed at a community level, rather than having the accused go through the formal justice system.

In such cases, the accused is generally required to comply with certain measures imposed by the committee (referred to as a diversion agreement); these measures often have a community focus. At the end of the diversion process, when the terms of a diversion agreement have been met, the accused is not required to attend court and the prosecutor stays the charges, thereby putting an end to the prosecution. However, if the offender fails to comply with the terms of a disposition or diversion agreement, he or she will generally be required to appear before the courts and will be dealt with according to the usual rules of the formal justice system and its processes.



Regulatory and Economic Prosecutions

The PPSC provides prosecution services related to legislation aimed at protecting the environment and the safety, health, economic security, and general welfare of the public. In addition to the imposition of fines and sentences of imprisonment, these cases can result in the imposition of measures designed to enhance public health and safety, improve the management and protection of environmental resources, or discourage financial and economic malfeasance. In 2014–2015, the PPSC handled 7,362 files involving regulatory and economic offences, of which 3,285 were carried over from previous years.

Economic Prosecutions

Competition Law Offences

The PPSC handles prosecutions under the *Competition Act* as well as the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act*, and the *Precious Metals Marking Act*. The PPSC also provides legal advice to the Competition Bureau on investigative files that may lead to prosecutions.

In 2014–2015, the PPSC handled 57 files dealing with competition law, notably a major bid-rigging trial before jury that started in Ottawa in the fall of 2014, and ended with acquittals in April 2015. In Quebec, in a joint prosecution with the provincial Crown, a number of individuals and corporations charged with bid-rigging and fraud were committed to trial after a preliminary inquiry. The PPSC is also prosecuting charges of bid-rigging against a company and six individuals in relation to federal government contracts for the supply of professional information technology services to Library and Archives Canada. In Ontario, two Japanese suppliers of motor vehicle components were fined \$4.5 million and \$2.45 million respectively for participating in an international bid-rigging conspiracy for the supply of motor components and anti-vibration components in the Canadian motor vehicle market.

Integrated Market Enforcement Teams

The 2014–2015 fiscal year marked the tenth anniversary of the creation of Integrated Market Enforcement Teams (IMET). PPSC prosecutors provide legal advice in the context of investigations of suspected financial market fraud to teams located in Vancouver, Calgary, Toronto, and Montreal.

During the past year, the PPSC worked on 43 IMET-related files, nine of which were new.

The PPSC has concurrent jurisdiction with the provinces to prosecute fraud charges under the *Criminal Code*. During the past year, the PPSC prosecuted four such files.

In the “Carrefour” file, Mr. Gia Tuong Quan was sentenced to 30 months’ imprisonment after he pleaded guilty to fraud, conspiracy to commit fraud, and fraudulent stock manipulation. Mr. Quan used the stock market to manipulate the value of investors’ accounts through a series of pre-arranged transactions. The scheme affected more than 100 victims and resulted in losses of over three million dollars. The court emphasized the importance of deterrence and denunciation in fraud cases, particularly financial market fraud. The trial of other defendants in the same investigation is expected to take place in 2015.

In Halifax, the prosecution of Messrs. Clarke, Colpitts, and Potter continues. They are accused of fraud, fraud affecting the public market, and conspiracy to commit fraud affecting the public market in connection with the trading of stock in Knowledge House Inc. A series of

Bloom Lake General Partner Limited

On December 19, 2014, Bloom Lake General Partner Limited was ordered by a Judge of the Court of Quebec to pay \$7.5 million upon pleading guilty to 45 charges under the *Fisheries Act*. This represents the highest penalty ever imposed for environmental infractions in Canada. The company operated an iron ore mine in northeastern Quebec on Bloom Lake. The charges related to several incidents including the breach of a tailings pond dam which, over a period of seven days, permitted over 200,000 cubic meters of deleterious substances to be released into fish-bearing waters. In addition, there were offences of failing to take measures as directed by an Environment Canada officer and offences related to a separate release of 14,500 litres of ferric sulfate into fisheries waters. Of the \$7.5 million penalty, \$6.83 million was ordered to be paid to the Environmental Damages Fund.

pre-trial motions was heard by the court this year. The trial is expected to take place in 2015.

Revenue Offences

The PPSC provides advice to Canada Revenue Agency (CRA) investigators and conducts prosecutions under all statutes administered by the CRA, notably those dealing with tax evasion and contraband tobacco.

The files investigated and prosecuted dealt with complex tax evasion schemes and cross-border crime. These files involve many challenges, such as obtaining evidence abroad, communicating information between organizations, presenting evidence of a complex scheme, and the fact that many accused are self-represented.

R. v. Kendall is an example of such a complex file. On March 18, 2015, Steven Kendall and Christopher Houston were convicted of fraud against Her Majesty the Queen. Mr. Kendall and Mr. Houston had asked investors to withdraw funds from their Registered Retirement Savings Plans (RRSP) and reinvest them in Canadian companies abroad. The defendants falsely promised excellent returns and that no tax needed to be paid, claiming the transfer was RRSP-eligible. CRA was deprived of \$14.1 million in unpaid tax. CRA opened an investigation in 2007, and the PPSC began providing legal advice to investigators in 2008. Sentencing recommendations will be made in the coming months.

Environmental and Fisheries Offences

The PPSC prosecutes offences under statutes aimed at managing fisheries and other environmental resources and at protecting the natural environment, wildlife, and public health, such as the *Fisheries Act*, the *Canadian Environmental Protection Act, 1999*, and the *Migratory Birds Convention Act, 1994*.

On July 18, 2014 in Provincial Court in Red Deer, Alberta, Plains Midstream was ordered to pay \$850,000 in penalties after pleading guilty to one offence under the *Fisheries Act* and one offence under provincial environmental legislation. The charges arose from the failure to notify authorities when crude oil was released from an underground pipeline owned by Plains Midstream into the Red Deer River, which is fish-bearing. Of the total monetary penalty, \$400,000 relates to the federal *Fisheries Act* offence; \$20,000 of that amount is a fine and \$380,000 was to be paid to the Environmental Damages Fund.

During the first week of November 2014, in Alberta Provincial Court in Edmonton, GRI pleaded guilty to one count of depositing a deleterious substance in fish-bearing waters contrary to the *Fisheries Act*. The scrap metal recycling company received a \$75,000 penalty. On April 28, 2012, Environment Canada received notification that “oily water” was being pumped from GRI property into a storm sewer. An enforcement officer attended the site and observed a four-inch hose discharging industrial wastewater into the sewer, which

flows into Mill Creek and subsequently the North Saskatchewan River. Both bodies of water are fish-bearing. Mill Creek is home to various types of small minnows, while the North Saskatchewan River is home to a number of fish species, including lake sturgeon and wall-eye. \$73,000 of the penalty was allocated to the Environmental Damages Fund.

Corruption of Foreign Public Officials

In 2014–2015, the PPSC continued to provide pre-charge advice and training to RCMP units engaged in the investigation of offences under the *Corruption of Foreign Public Officials Act* (CFPOA).

The prosecution of Mohammad Ismail, Ramesh Shah, Kevin Wallace, Zulfiquar Ali Bhuiyan, and Abul Hasan Chowdhury for alleged violations of the CFPOA is ongoing. The charges related to bribes allegedly to be paid to officials in Bangladesh in order to secure a contract for SNC – Lavalin in relation to a bridge construction project financed by the World Bank.

Robert Barra, Dario Berini, and Shailesh Govindia are charged with violating the CFPOA in the course of bidding on contracts in India. Mr. Govindia is also charged with fraud under the *Criminal Code*. Messrs. Barra and Berini are American citizens who live in the United States, and Mr. Govindia is a resident of the United Kingdom. Investigations in Canada and in the United States proceeded simultaneously, and cooperation between the two countries has been extensive.

SNC-Lavalin Inc. has been charged in relation to the alleged payment of bribes to secure an advantage for the company in relation to major construction projects in Libya. Two individuals, Sami Bebawi and Stéphane Roy, are also charged in relation to the matter.

Each of these prosecutions is in its early stages.

Food Safety

The PPSC prosecutes cases under federal statutes such as the *Food and Drugs Act*, the *Meat Inspection Act*, the *Health of Animals Act*, and the *Plant Protection Act* to ensure compliance with the food safety inspection and processing regimes and the humane treatment of domestic animals.

On April 13, 2015, 0865838 B.C. Ltd. (doing business as Pitt Meadows Meats Ltd.) pleaded guilty to selling 1,500 kg of beef that was unfit for human consumption contrary to the *Food and Drugs Act*. The meat was unfit because it derived from a batch that tested positive for E. coli. The Court fined the company \$125,000, which amounted to approximately 10% of its annual labour costs. The president of the company apologized in open Court and the company paid the fine in full.



School for Prosecutors: Prosecution Fundamentals

Supreme Court of Canada Litigation

During 2014–2015, PPSC prosecutors appeared in the Supreme Court of Canada in 12 cases: eight appeals, two interventions and two oral hearings on a leave application. PPSC prosecutors also responded in writing to 26 applications for leave to appeal to the Supreme Court of Canada.

PPSC prosecutors intervened in *R. v. Fearon*, in which the Supreme Court defined the parameters of search powers applicable to mobile phones incidental to arrest, without prior judicial authorization.

Agent Affairs

The PPSC retains the services of private-sector lawyers as agents to conduct prosecutions where it does not have a regional office or where it is impractical or otherwise not cost-effective for staff counsel to handle cases. In 2014–2015, 43,246 files of the total PPSC caseload were handled by agents. Of these, 24,295 were new files and 18,951 were carried over from previous years.

The Agent Affairs Program (AAP) is responsible for ensuring that agents provide high-quality legal services at a reasonable cost. Each of the PPSC's regional offices (with the exception of the northern regional offices) has an Agent Supervision Unit to handle the day-to-day supervision of agents and to support them in their work.



School for Prosecutors: Written Advocacy



School for Prosecutors: Advanced Issues for Prosecutors

As part of its management control framework, the AAP uses modern audit techniques for agent file review. Benchmarks have been developed for a number of case profiles under federal statutes such as the CDSA, the *Fisheries Act*, and the *Income Tax Act*.

The PPSC has in place a regime of fixed-term agreements for agents, for terms of up to five years. Under this regime, any law firm or lawyer interested in becoming an agent can apply when an opening occurs. Agents are selected pursuant to a competitive process.

In 2014–2015, 34 fixed-term agreements were entered into with agents — a combination of incumbents as well as new private-sector lawyers and firms. As of March 31, 2015, the PPSC retained the services of 410 agents from 183 law firms.

Fine Recovery

The PPSC is responsible for administering the National Fine Recovery Program under the terms of an assignment issued by the Attorney General of Canada in 2007. The program recovers outstanding court-ordered fines under federal statutes.

A request for proposals has been issued to outsource part of the collection process to a private collection agency, and a privacy impact assessment has been completed to ensure that Canadians' privacy rights are protected.

Training School for Prosecutors

The PPSC School for Prosecutors offers annual training designed to promote professional development relevant to the prosecution function.

In 2014, the School delivered three courses: two week-long training courses — one for junior counsel, the other for senior counsel — and a three-day legal writing course.

Level One (Prosecution Fundamentals) focused on criminal law topics, including the role of the Crown, the law and procedure on *voir-dires*, and the trial. There were 41 participants.

Level Two (Advanced Issues for Prosecutors) focused on issues related to wiretaps and complex cases. The goal of this training was to enhance the ability of experienced practitioners to

analyse complex legal and operational issues that arise in federal prosecution practice. There were 43 participants.

Written Advocacy, a course designed to help counsel perfect factum-writing skills, had 40 participants.

The teaching methods included a combination of lectures, seminars, panel discussions, and small group problem solving and workshop sessions.

Federal Prosecutor Development Program

The Federal Prosecutor Development Program (FPDP), launched in May 2013, is a comprehensive program of training, mentoring, and on-the-job activities, designed to provide prosecutors with the opportunity to advance from the developmental level (LP-01) to the working level (LP-02).

Over the past year, the PPSC has reviewed the effectiveness of the program, and has updated the tools developed to evaluate participants' performance. The program has been effective in facilitating frequent interactions between participants and their supervisors.

Outreach

During 2014–2015, the PPSC continued to support and advance external relations with national and international stakeholders involved in the law.

PPSC staff provided training to police associations, students at educational institutions, and other government departments on prosecution-related topics throughout the year.

On June 9, 2014, senior PPSC officials met with the Federation of Law Societies of Canada to discuss issues of mutual interest, including the *PPSC Deskbook* guidance on the initiation and conduct of federal prosecutions.

In June 2014, the DPP participated in a meeting of federal, provincial, and territorial deputy ministers responsible for justice and public safety held in St. John's, Newfoundland and Labrador. This meeting was an opportunity for federal, provincial, and territorial deputy ministers responsible for justice and public safety to be briefed on the progress achieved on priority issues related to justice and public safety and to discuss new issues that had arisen.

FPT Heads of Prosecutions Committee

The Federal-Provincial-Territorial Heads of Prosecutions Committee brings together the leaders of Canada's prosecution services to promote assistance and to cooperate on operational issues. The DPP is permanent co-chair of the Committee and the PPSC acts as its secretariat.

The Committee held two meetings in 2014. The first was held in Halifax in May, and was organized jointly with the Canadian Military Prosecution Service. The second, held in Charlottetown in October, was organized jointly with the Crown Attorney's Office of Prince Edward Island and featured the National Prosecution Awards Ceremony.

Meetings with Foreign Delegations

In July 2014, PPSC senior officials met with the Prosecutor General and officials of the Central Asian Republic of Kyrgyzstan to discuss efforts to combat corruption. The meeting was organized by the Global Organization of Parliamentarians Against Corruption (GOPAC).

In October 2014, a delegation of Palestinian prosecutors met with Justice Canada and PPSC officials as part of a research and technical mission. During the visit, PPSC officials delivered presentations on issues such as the new *PPSC Deskbook* and the PPSC's processes for trials and appeals. The visit included a meeting between the DPP and the Attorney General of Palestine.

Also in October 2014, the Chief Federal Prosecutor (CFP) of the PPSC's Ontario Regional Office addressed a delegation of prosecutors from the People's Republic of China. The CFP described the role of PPSC prosecutors and their relationship with law enforcement officers and the courts. He also described the various prosecution service models in Canada, and provided an overview of the PPSC.

International Association of Prosecutors

The International Association of Prosecutors (IAP) is a non-governmental and non-political organization. It promotes the effective, fair, impartial, and efficient prosecution of criminal offences through high standards and principles, including procedures to prevent or address miscarriages of justice. It assists prosecutors internationally in the fight against organized or other serious crime, and fosters measures for the elimination of corruption in public administration. The DPP is an elected member of the Executive Committee of the IAP and a PPSC representative sits as vice-president on the board of the *Association internationale des procureurs et poursuivants francophones*, a sister organization of the IAP. The PPSC participated in the Nineteenth Annual Conference and General Meeting of the IAP in Dubai, United Arab Emirates, in November 2014, where the DPP attended a meeting of the Executive Committee and chaired a special interest group meeting. The DPP also attended a meeting of the Executive Committee in Quebec City in May 2014.

The PPSC continued its contribution to the Global Prosecutors E-Crime Network (GPEN), a web-based platform launched by the IAP for specialist e-crime prosecutors that provides access to a library of documentary and training resources. The GPEN site offers cybercrime prosecutors a contacts database, a discussion forum, and a virtual library and training materials. The PPSC is responsible for the Canadian content of the GPEN

site, which is developed in consultation with the Federal-Provincial-Territorial Working Group on Cybercrime.

Internal Services

Administration Services

The Administration Services Division is responsible for the delivery of programs and services in the areas of facilities management, security, information management and technology, occupational health and safety, and informal conflict management. Key activities undertaken in 2014–2015 included:

- the integration of the information management and information technology (IMIT) function into the Administration Services Division;
- the provision of online training to all employees on the subject of the *Canada Labour Code*, Part II; and
- the launch of the PPSC's Employee Protection Program.

Communications

The Communications Division is responsible for the PPSC's communications activities aimed at the public and the media, as outlined in the *Director of Public Prosecutions Act*.

The division provides communications products, services, and advice to PPSC prosecutors and managers. It is also responsible for internal communications and for publishing the PPSC intranet and other communications vehicles.

In addition to these ongoing responsibilities, in 2014–2015, the Communications Division designed and produced both

print and electronic editions of the *PPSC Deskbook* in preparation for its adoption.

Corporate Counsel

The Corporate Counsel provides legal services to management in various areas of the law including administration, labour, and access to information and privacy. The Corporate Counsel is also responsible for ensuring oversight of the *Values and Ethics Code for the Public Sector* within the PPSC. To ensure that employees are informed of their obligations under the *PPSC Code of Conduct*, the Corporate Counsel developed a mandatory learning activity on the Code. In addition, as designated representative for political activities, the Corporate Counsel responds to enquiries regarding political activities.

Finance and Acquisitions

The Finance and Acquisitions Directorate provides services in acquisition management, resource management, accounting management, policy, and quality assurance to the PPSC. In addition to fulfilling its ongoing commitments in financial management and acquisitions, the directorate:

- adopted a new integrated service delivery model that strengthened financial management activities within the PPSC and increased the quality of service while reducing the cost;
- implemented the new government travel system and direct deposit initiative; and
- introduced changes to processes to reduce non-essential approval levels and ease the reporting burden on managers.

Human Resources

A reorganization of the Human Resources Directorate (HRD) occurred in June 2014. The Human Resources Administration Unit (HRAU) was created to provide administrative support to HRD programs and services in the following areas: awards and recognition, fast-track human resources (HR), HR reporting, HR requests and general inquiries, required training, training self-service, and official languages.

A new PPSC Delegation of Human Resource Authorities Instrument was finalized and will shortly be implemented in the PPSC. The instrument consists of the *Delegation of Human Resources Authorities*, which provides a summary of the authorities and the delegation levels, while the *Human Resources Delegation of Authorities Instrument and Supporting Notes* includes references.

The new PPSC awards and recognition policy and program were adopted on April 2, 2015. The policy aims to recognize the significant contribution that employees make through the excellence of the work they perform, the exemplary behaviour they demonstrate, and the positive results they achieve. The program is composed of both informal and formal awards and recognition practices.

Internal Audit

The Internal Audit Division (IAD) assesses the effectiveness of the PPSC's processes and works with the Departmental Audit Committee (DAC) to provide objective advice and recommendations to the DPP regarding the sufficiency, quality, and results of the organization's risk management, control, and governance frameworks and processes.

In 2014–2015, the PPSC published one internal audit report, the *Audit of the National Capital Regional Office*, and conducted a consulting engagement for management. The IAD also conducted a follow-up review of management action plans addressing prior audit recommendations. The DAC, which is chaired by the DPP, met three times during the year and reviewed a number of audit-related items including values and ethics, risk management, internal controls, governance, planning, and financial reporting.

Ministerial and External Relations

The Ministerial and External Relations Secretariat (MERS) is responsible for ministerial liaison, Cabinet and parliamentary affairs, correspondence, relations with external groups, and access to information and privacy.

MERS oversees the timely delivery of briefing material to the Office of the Attorney General pursuant to

the DPP's obligation under section 13 of the *Director of Public Prosecutions Act*, which requires that the DPP inform the Attorney General of cases that raise important questions of general interest. In addition, MERS handles correspondence from the general public and from Parliament. During 2014–2015, the PPSC responded to 152 questions placed on the Order Paper of the House of Commons.

The Access to Information and Privacy (ATIP) Office is responsible for the application of access to information and privacy legislation at the PPSC. During 2014–2015, the ATIP Office processed 49 requests under the *Access to Information Act* and 12 requests under the *Privacy Act*. The office also responded to 40 ATIP consultations from other government departments. This includes requests relating to the Office of the CCE.

Also during 2014–2015, the ATIP Office developed a Privacy Management Framework for the organization. The Framework outlines how the PPSC assigns privacy responsibilities, manages privacy risks, and ensures compliance with the *Privacy Act* and its regulations.

Strategic Planning and Performance Management

The Strategic Planning and Performance Management Division is responsible for corporate-level strategic and business planning and

reporting, integrated risk management, performance measurement, and research and evaluation.

The division coordinates the preparation of the PPSC's annual estimates reports to Parliament (*Report on Plans and Priorities* and *Departmental Performance Report*). It also coordinates responses to the Management Accountability framework (MAF) assessment process. The MAF process helps federal departments and agencies measure how well they meet Treasury Board's expectations for good public service management.

In 2014–2015, the division contributed to annual performance reports on horizontal initiatives in which the PPSC participates, including the National Anti-Drug Strategy, the Anti-Money Laundering/Anti-Terrorist Financing Regime, as well as the Integrated Market Enforcement Teams initiative.

Working collaboratively with investigative agencies is an ongoing PPSC priority. In order to support this priority, the division undertook a second survey of investigative agencies to seek input on the PPSC's legal advice and prosecution-related activities from members of police and federal regulatory agencies. The responses are currently being analyzed; results are expected to be available by September 2015.



3 REGIONAL PROFILES

Overview

The PPSC has 11 regional offices across Canada, as well as seven local offices. Each local office is part of a regional office, and each regional office is headed by a Chief Federal Prosecutor (CFP).

R. v. Draziotis

On September 11, 2014, Georgios Draziotis pleaded guilty to one count of failing to record an oil spill in an oil record book contrary to the *Vessel Pollution and Dangerous Chemicals Regulations* under the *Canada Shipping Act, 2001*. Mr. Draziotis was the Chief Engineer of a bulk carrier that intentionally released a mix of oil and water in international waters before arriving in Vancouver. The Court fined Mr. Draziotis \$150,000. In addition to the fine, Mr. Draziotis voluntarily compensated Transport Canada \$30,000 for witness expenses.

Alberta

EMPLOYEE DISTRIBUTION	
Employees	114
Lawyers (LP)	58
Law Management (LC)	2
Paralegals (EC)	17
Program and Administrative Services	37

The Alberta Regional Office serves the province of Alberta, with offices in Edmonton and Calgary. In addition to in-house staff, the region also has approximately 30 contracted standing agents who handle drug prosecutions outside the two major centres.

The primary work in the region is drug and organized crime prosecutions, which often present

complex *Canadian Charter of Rights and Freedoms* issues. There is also a notable volume of economic crime and regulatory prosecutions that are complex and integral to enforcement of federal laws. Toward the end of the 2014 calendar year, national security work became a new and high priority area of focus.

A number of regional initiatives have been put in place to improve efficiency and systemic integrity. They include a new major-minor prosecution agreement with the province, development of an online knowledge management site, a new case viability assessment plan to enhance efficient early case management, and development of an electronic case presentation and case management system. Both the Edmonton and Calgary offices have recently been connected to the online Prosecutor Information System Manager (PRISM) established by Alberta Justice that is used in conjunction with the existing Provincial Court online information system (Justice Online Information Network or JOIN).



Atlantic

EMPLOYEE DISTRIBUTION

Employees	64
Lawyers (LP)	41
Law Management (LC)	2
Paralegals (EC)	3
Program and Administrative Services	18

The Atlantic Regional Office (ARO) is the PPSC presence in all four Atlantic Provinces. The regional headquarters is situated in Halifax, Nova Scotia, with local offices in Moncton, New Brunswick and St. John's, Newfoundland and Labrador. Prince Edward Island is served from Halifax and by the use of legal agents.

The majority of the ARO's litigation work involves prosecution of CDSA offences, often involving complex drug and proceeds of crime files where the use of significant investigative resources lead to

challenging prosecutions. The regulatory team provides advice and prosecution services relating to a number of statutes, notably the *Fisheries Act*, which often involve significant issues related to Aboriginal rights claims. The economic crime team primarily prosecutes files arising from income tax fraud and tax evasion allegations, and there is also an ongoing major case arising from the Integrated Market Enforcement Team.

The prosecutors within each of these teams provide advice and prosecution services with respect

to complex matters that involve sophisticated investigative techniques, frequently with many suspects. Investigations and prosecutions are further complicated by cross-border (provincial and international) transactions, which necessarily require cooperation between various government agencies. The ARO has noticed increased use of leading edge technology by suspects, challenging currently accepted legal precedent.

The ARO has embarked upon a series of initiatives to perform prosecutorial functions more effectively and efficiently. These include adjustments to the structure and staffing of teams, increased communication with investigative partners, and a continued emphasis on project-based prosecutions. The ARO has also established protocols with respect to issues of national security with all of the region's provincial prosecution services.

British Columbia

EMPLOYEE DISTRIBUTION

Employees	110
Lawyers (LP)	69
Law Management (LC)	2
Paralegals (EC)	4
Program and Administrative Services	35

The British Columbia Regional Office (BCRO) has four locations in Vancouver. Prosecutors provide prosecution services throughout the province, assisted by standing agents.

The work of the BCRO focuses primarily on drug prosecutions, economic crimes, and crimes which could have a detrimental effect on the environment or the health and

safety of Canadians. Many of these cases arise outside the Lower Mainland of British Columbia, and counsel travel throughout the province on a regular basis, including to northern British Columbia and Haida Gwaii.

The BCRO continued to work closely with the RCMP and provincial prosecutors of the Criminal Justice Branch on a multi-year pro-

ject to develop common standards for the preparation of materials needed for court. Training and development of counsel continued to be a priority. The BCRO continued to work with other partners and with the courts to address workload and caseload issues, to improve efficiencies.

Many of the BCRO's files in 2014–2015 continued to be major drug files involving organized crime; however, there is a growing number of complex immigration and regulatory matters.

Manitoba

EMPLOYEE DISTRIBUTION

Employees	44
Lawyers (LP)	22
Law Management (LC)	1
Paralegals (EC)	4
Program and Administrative Services	17

The Manitoba Regional Office (MRO), located in Winnipeg, provides legal advice and prosecution services at more than 65 provincial court circuit points, superior court in six cities and towns, and the Manitoba Court of Appeal in Winnipeg.

Approximately 85% of the files handled in the MRO in 2014–2015 involved CDSA offences, ranging

from low-complexity matters to prosecutions of sophisticated criminal organizations.

The remaining files involved regulatory and economic crimes such as tax evasion, copyright infringement, environmental offences, and offences relating to the health and safety of Canadians generally.

Police investigations targeting criminal organizations increased, as did the sophistication of the investigations. In 2014–2015, 12 investigations targeted specific criminal organizations, resulting in over 100 arrests.

The MRO remains committed to education related to the criminal justice system. PPSC counsel taught at the University of Winnipeg and the University of Manitoba Law School, and also gave presentations to police and investigative agencies and at judicial seminars. MRO counsel also took part in career days and performed outreach activities at high schools in and around Winnipeg.

National Capital

EMPLOYEE DISTRIBUTION

Employees	90
Lawyers (LP)	54
Law Management (LC)	2
Paralegals (EC)	14
Program and Administrative Services	20

The National Capital Regional Office (NCRO) is situated in Ottawa and is responsible for all federal prosecutions in eastern and northern Ontario, and in four judicial districts in western Quebec. The members of the Competition Law Section of the NCRO prosecute violations of the *Competition Act* across Canada. The NCRO's Agent Supervision Unit supervises the work of 49 agents in 25 law firms within the region.

The majority of prosecution files in the NCRO related to drug offences. Street-level trafficking offences

continued to be the focus of many municipal police services, resulting in a large number of file referrals. There were also major files focused on criminal organizations engaged in trafficking significant quantities of drugs.

Major files also included suspected terrorism and bid-rigging offences. An increase in referrals from the RCMP on national security files was noted.

While the number of regulatory prosecution referrals has decreased, the complexity of these matters remains high, as

investigative agencies have focused their resources on the more serious offences. The provision of pre-charge investigative advice and legal training to various investigative agencies represented a significant part of the NCRO's work.

The NCRO continued to work closely with its partners in the criminal justice system in enhancing the use of specialty courts such as the Drug Treatment Court and Mental Health Court. The NCRO worked toward the development of a special court to address the circumstances of Aboriginal offenders. Members of the NCRO met regularly with representatives of the Ottawa Crown Attorney's Office and the Ottawa Police Service to develop improved methods for fulfilling the PPSC's prosecution mandate.

Northwest Territories

EMPLOYEE DISTRIBUTION

Employees	45
Lawyers (LP)	20
Law Management (LC)	1
Paralegals (EC)	2
Program and Administrative Services	22

The Northwest Territories Regional Office (NWTRO) is located in Yellowknife and serves an area of over one million square kilometres. It is responsible for the prosecution of all offences under federal legislation in Northwest Territories (NWT), and also conducts most prosecutions under territorial legislation. Communities throughout NWT are served by circuit in both Territorial Court and Supreme Court, and prosecutors travel by air to some 20 communities and by road to one (Behchoko – a community located 100 km from Yellowknife).

In 2014–2015, there were 17 Supreme Court jury trials in six communities, ranging from

Inuvik in the northwest to Fort Smith in the southeast. There were 89 Territorial Court circuits outside Yellowknife, and 75 weeks of Territorial Court in Yellowknife. The Domestic Violence Treatment Options (DVTO) Court sat 21 times in Yellowknife, and also sat in Behchoko. In April 2015, the DVTO Court began sitting in Hay River.

The success of the DVTO Court led to the establishment in Yellowknife in October 2014 of a second specialized court, the Wellness Court. The Wellness Court Program aims to reduce recidivism and support chronic offenders by helping them deal with the issues that contributed to their criminal

behaviour, such as mental health issues, drug and alcohol addictions, or cognitive challenges.

The NWTRO offered training to its prosecutors and Crown Witness Coordinators in first aid and winter driving. Prosecutors received media training, and prosecutors and Crown Witness Coordinators received training on prosecutions involving child and other vulnerable witnesses, and dangerous and long term offenders. Vicarious trauma debriefing sessions were made available to all staff.

The NWTRO continues to partner with the University of Victoria Law School Co-op program, offering work placements to participating students. Four students from this program articulated in the North: three with the PPSC and one with Justice Canada. Two are now lawyers working for the PPSC – one in the NWTRO and one in the Nunavut Kitikmeot office, based in Yellowknife.

R. v. Wesley

Following a Department of Fisheries and Oceans investigation into “laundering” salmon (selling salmon as if it had been caught during commercial openings when it was in fact caught at other times or places), Glen Wesley, a commercial fisher and member of the Lax Kw’alaams First Nation, was convicted and sentenced for fishing in a closed time. The Judge was satisfied that the fisher was prepared to use his aboriginal right to food fish in an attempt to legitimize the illegal commercial catches. In addition to a significant fine, the Judge imposed conditions on Wesley’s fishing; prohibiting him from commercially fishing in the vast area claimed to be Lax Kw’alaams fishing territory, and placing tight controls on any food fishing (reporting and marking).

Nunavut

EMPLOYEE DISTRIBUTION

Employees	45
Lawyers (LP)	20
Law Management (LC)	1
Paralegals (EC)	2
Program and Administrative Services	22

With a regional headquarters in Iqaluit and a local office in Yellowknife (serving the Kitikmeot region of Nunavut), the Nunavut Regional Office (NRO) oversees prosecutions in Canada's largest and most northerly territory.

The majority of prosecutions in Nunavut were related to offences under the *Criminal Code*, with some regulatory, drug-related, and territorial offence prosecutions.

Violent crimes, including sexual crimes, assaults, and homicides, continued to present the greatest challenge to the NRO. Repeat offenders pose a serious concern to public safety. To address this concern, a paralegal was hired to identify potential dangerous offenders and, where appropriate, assist with the completion of dangerous offender applications.

Vicarious trauma counselling continues to be available to all NRO staff to help them deal with exposure to files related to traumatic events.

The Kitikmeot region of Nunavut continues to benefit from the proximity of the local office in Yellowknife, which has made it easier to maintain effective relationships with Kitikmeot policing organizations and community justice committees and allowed for more manageable court dockets and a greater ability to support potential witnesses in the region.

The PPSC continued its work with the Rankin Inlet Spousal Assault Program, a program in which eligible offenders charged with low-level spousal assaults complete an intensive counselling program.

Ontario

EMPLOYEE DISTRIBUTION

Employees	181
Lawyers (LP)	115
Law Management (LC)	3
Paralegals (EC)	22
Program and Administrative Services	41

The Ontario Regional Office (ORO) is headquartered in Toronto, with local offices in Brampton, Kitchener, and London. It is responsible for prosecutions in all of southern and southwestern Ontario, from Windsor in the west to Trenton in the east, and northward to Georgian Bay and the districts encompassing Barrie, Lindsay, and Peterborough.

Most of the files handled in the ORO involved drug-related offences. In addition, counsel prosecuted criminal organization,

terrorism, and tax evasion offences, as well as offences under the *Canada Elections Act* and the *Corruption of Foreign Public Officials Act*.

In 2014–2015, the number of tax evasion files declined due to the recent restructuring of the CRA. An increase in *Canada Elections Act* and *Corruption of Foreign Public Officials Act* files was noted. Counsel were also called upon to provide advisory assistance in the context of

anti-terrorism investigations as the RCMP increased its activity in this area.

The region has initiated a protocol with the Toronto Police Service to provide early advice relating to files involving confidential informers. This protocol will lead to savings in police, prosecutorial, and court resources.

The ORO has also developed training for prosecutors on recent legal trends, best practices, new prosecution challenges in specific areas of prosecution, and expert evidence. The region offered this in-house program not only to counsel in the region but throughout the PPSC via webinars, thereby resulting in significant cost savings by reducing the need for travel and tuition fees.

R. v. Chun

On March 18, 2015, Sy Veng Chun and Leng Ky Lech were sentenced in the Court of Quebec to eight years in prison, and ordered to pay fines totalling approximately \$9 million. This amount includes fines imposed on their companies, Peng Heng Or Gold Inc. and A & A Services monétaires.

They were found guilty on September 15, 2014 of 13 offences, including six offences in relation to money laundering and possession of proceeds of crime, and seven offences under the *Income Tax Act*. They were arrested in October 2002.

Cour du Québec judge Patrick Healey called the case “one of the largest and most complex prosecutions of its kind in the history of Canadian criminal law.”

Quebec

EMPLOYEE DISTRIBUTION	
Employees	83
Lawyers (LP)	49
Law Management (LC)	2
Paralegals (EC)	9
Program and Administrative Services	23

The Quebec Regional Office (QRO) is located in Montreal, with a few prosecutors working in Quebec City. The QRO is responsible for prosecutions in all of the Province of Quebec’s judicial districts, except those located in the Outaouais and the Pontiac.

Prosecutors in the QRO deal primarily with high-profile prosecutions, notably those related to organized crime, economic crime, money laundering, terrorism, tax evasion, and national and border security.

Prosecutors provided advice to investigative agencies on capital market fraud offences, in addition to

conducting the related prosecutions. They also dealt with prosecutions under the *Fisheries Act* that raised complex issues such as Aboriginal ancestral rights claims.

QRO prosecutors conducted several prosecutions under the *Immigration and Refugee Protection Act*, including cases of false claims of Canadian citizenship.

The QRO continued to work with Quebec’s Director of Criminal and Penal Prosecutions in the prosecution of complex murder files, organized crime offences, and economic crime offences.

Saskatchewan

EMPLOYEE DISTRIBUTION	
Employees	25
Lawyers (LP)	14
Law Management (LC)	1
Paralegals (EC)	3
Program and Administrative Services	7

The Saskatchewan Regional Office (SRO) carries out prosecutions at 80 court locations in the province. In addition to PPSC counsel who travel throughout the province, the PPSC relies upon 11 agent firms. It also relies extensively on an agreement with the Attorney General of Saskatchewan to ensure resource sharing on files where there are both federal and provincial charges so that only one prosecutor is required.

The regional office is located in Saskatoon, with staff also co-located with the Integrated Proceeds of Crime (IPOC) Office in Regina. The IPOC unit deals with restraint orders and management orders for real property, vehicles, and cash, in conjunction with prosecutions involving the forfeiture or seizure of the profits of drug-related criminal activity.

Prosecutors in the SRO worked on complex drug trafficking and organized crime prosecutions, many arising from lengthy investigations involving the seizure of significant quantities of drugs and offence-related property.

SRO prosecutors were involved in advising on and prosecuting economic files, such as for tax evasion, and regulatory files, such as environmental prosecutions arising from oil spills. The SRO also prosecuted offences occurring at the 12 land border crossings with the United States, where there has been an increase in prosecutions for smuggling prohibited weapons.



Yukon

EMPLOYEE DISTRIBUTION

Employees	31
Lawyers (LP)	13
Law Management (LC)	1
Paralegals (EC)	2
Program and Administrative Services	15

The Yukon Regional Office (YRO) is located in Whitehorse and is responsible for the conduct of prosecutions under the *Criminal Code*, the CDSA, and all other federal statutes in Yukon. The YRO covers 13 territorial court circuit locations outside Whitehorse, visiting each location an average of six times a year. In addition to the six regularly scheduled circuit visits, there are special sitting dates set as required for complex and lengthy matters, and the Supreme Court sits in each community on a special basis, as required. Prosecutors travel by road to all locations, except for Old Crow, which can only be accessed by air. In Whitehorse, territorial Court trial and docket sittings are set throughout the week from Monday to Friday, with bail hearings also set on Saturday and Sunday.

Of the files handled by the YRO, 93% involve *Criminal Code* offences. Yukon has the third highest rate of violent and sexual offences in Canada. Approximately 3.8% of YRO files involve CDSA matters and 3.1% involve the *Youth Criminal Justice Act*.

As a large number of offences in the YRO are related to spousal violence, the YRO continues to partner with the territorial Court, territorial department of justice, and legal aid in the operation of the Domestic Violence Treatment Options Court (DVTO) in Yukon, which is available in Whitehorse. It is open to offenders from elsewhere who are willing to reside in Whitehorse for the duration for the process. DVTO provides a treatment-based approach to spousal assault matters, with family violence and alcohol addiction counselling being the primary focus. The YRO is also an active

partner in the Community Wellness Court. In addition, the YRO worked with the RCMP and the territorial department of justice in developing a pre-charge diversion program for communities outside of Whitehorse to foster partnership between the First Nations justice programs, the RCMP, the territorial department of justice, and the PPSC.

Given the high level of violent and sexual offences in Yukon, the YRO has a dedicated team of prosecutors and support staff to identify and address issues related to high-risk offenders. This team ensured that the office was an active partner in the national flagging of high-risk offenders and was adequately supported on all appropriate long-term offender and dangerous offender matters as well as the pursuit of judicial recognizances. In the past year, the YRO has partnered with territorial government agencies for an inter-agency working group and established a dedicated YRO team to handle matters involving violent and sexual offences against children and youth.



4 STRATEGIC ORGANIZATIONAL PRIORITIES

Excellence in Prosecution Management

The PPSC is committed to improving the effectiveness of its prosecution management practices, from the way files are assigned to how they are managed and tracked throughout the lifecycle of a prosecution. Stressing the importance of learning from best practices and recommendations developed by its provincial and international partners or counterparts, the PPSC seeks to ensure that prosecutions are managed in the most modern and effective way possible.

The PPSC continued to review and implement recommendations identified in internal audits of regional offices with respect to file information systems and the assignment and management of prosecution files, including compliance with protocols for closing files and the capture of key information in the PPSC's case management system. The PPSC also continued to focus on the development of best practices throughout the fiscal year. Through participation in a one-day forum sponsored by the Ontario Ministry of the Attorney General regarding measuring performance in the context of law management and attendance at two justice summits in British Columbia, PPSC staff have shared knowledge and discussed various approaches with their provincial counterparts.

Employee Training and Development

The PPSC focuses on providing all PPSC staff with access to the tools and opportunities they need to improve their skills and further their professional development.

The Regulatory and Economic Prosecutions and Practice Management Division and the Human Resources Directorate worked together to establish a learning and development framework for PPSC staff. The PPSC is currently analyzing the impact of the framework and aligning its activities with the Canada School of Public Service's new service delivery model, which will focus its curriculum on core public service training, increase access to online and classroom curriculum, and standardize training for managers and executives. Targeted legal training and development webinars were offered by the ORO, and also made accessible to PPSC prosecutors across the country. Use of video link-up as well as WebEx technologies enabled the participation of approximately 100 PPSC prosecutors across Canada.

Building on the success of the Federal Prosecutor Development Program, the PPSC initiated the Paralegal Excellence Program Project. It is also analyzing the learning needs of the administrative support and the supervisor and manager communities.

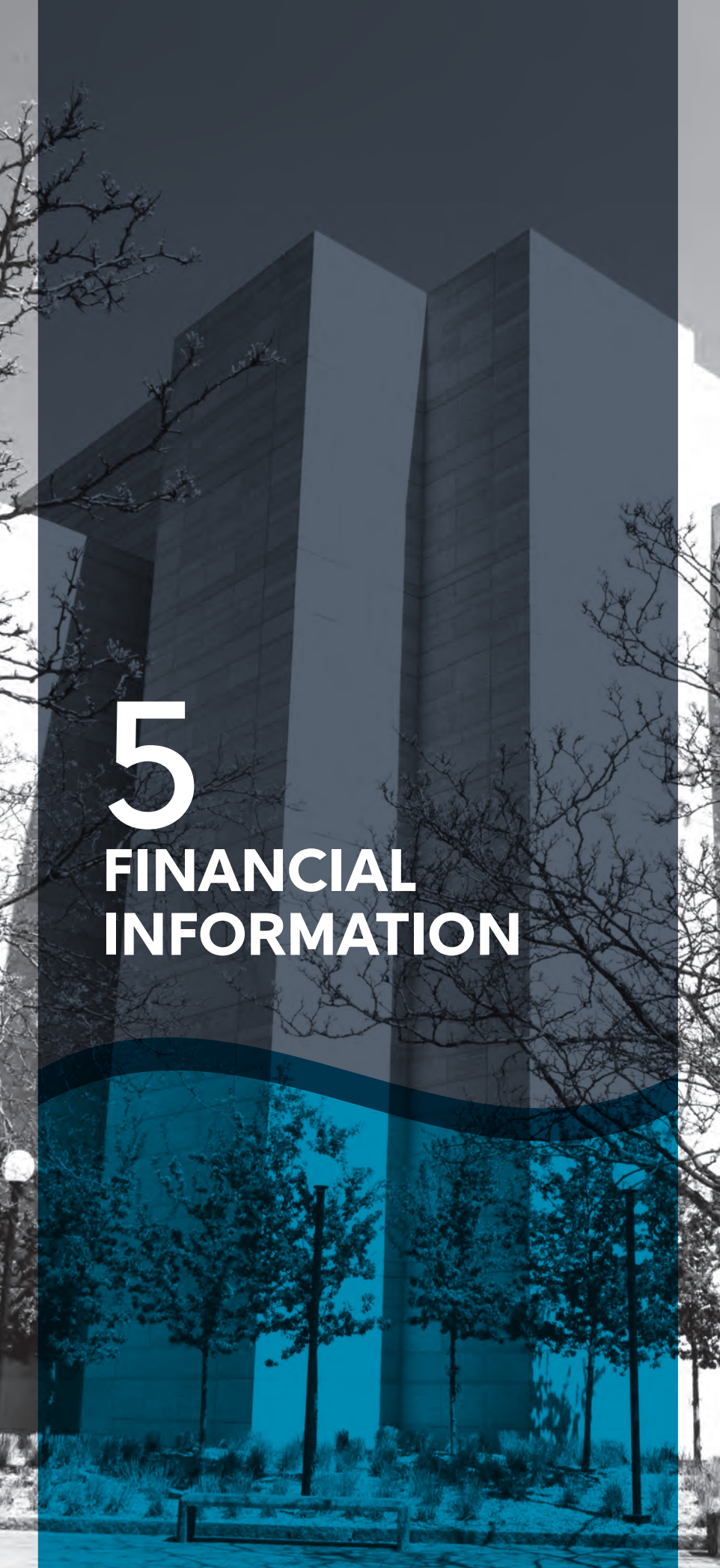
Working Collaboratively with Investigative Agencies

To be effective and efficient as a national prosecution service, the PPSC must work closely with police and federal investigative agencies while respecting the independence of these agencies and maintaining its own independence. The PPSC continued to strengthen its relationships with investigative agencies by ensuring effective communication at both the local and national levels. This involved working collaboratively to ensure consistency and completeness in the investigation files sent to the PPSC and in the legal advice provided by the PPSC.

The PPSC has taken steps to ensure ongoing communication and liaison with police and investigative agencies. It attends the RCMP's weekly national priority-setting exercises and has a seat on the RCMP's External Advisory Committee on the re-engineering of the force. As a result, the PPSC gains access to information allowing it to coordinate and prioritize the use of its resources according to stated investigative priorities, confirm regional priorities and better coordinate projects that span two or more regions. CFPs also maintain regular contacts with the heads or deputy heads of police forces, including the Criminal Operations Officers of the RCMP. PPSC representatives, both at HQ and in the regions, also regularly meet with their counterparts

in the investigative agencies to whom Crown prosecutors most often provide prosecution services. In addition, the PPSC has agreements with many police and investigative agencies which set out what the PPSC expects from them in terms of the timing and content of disclosure, and approaches to the vetting of routine and sensitive information in the disclosure package.

In a follow-up to the 2008 PPSC survey of investigative agencies, the PPSC distributed a questionnaire to investigative agencies in the summer of 2014 to seek input on the PPSC's legal advice and prosecution-related activities from members of police and federal regulatory agencies that initiate most of the cases that the PPSC prosecutes. The survey's specific objectives were to describe the possible impacts and results of these activities; to identify the factors that can contribute to more effective and efficient operational approaches; and to identify strategies to strengthen the working relationship between the PPSC and investigative agencies. The responses are currently being analyzed.



5 FINANCIAL INFORMATION

Operating Budget

During fiscal year 2014–2015, the PPSC was allocated an operating budget of \$176.7 million. In addition, the PPSC had authority to spend up to \$22.7 million recovered from other government agencies for prosecution activities related to their mandates.

Spending by Program

The PPSC has four programs, which are grouped under two strategic outcomes. The first strategic outcome relates to the prosecution functions of the PPSC, while the second relates to the compliance and enforcement functions of the CCE. In addition to these programs, the PPSC also has a number of administrative services grouped under the heading “Internal Services”.

Information about the spending for each program and for internal services is provided in Table 1.

Table 1: Spending by Program

(\$ MILLIONS)	2014-2015	
	BUDGET AT YEAR-END	SPENDING
Strategic Outcome 1		
Drug, Criminal Code, and terrorism prosecution program	133.0	133.0
Regulatory offences and economic crime prosecution program	40.5*	37.3**
Internal Services	22.6†	20.9‡
Strategic Outcome 2		
Compliance	2.8	2.8
Enforcement	0.5	0.5

* Includes \$22.3 million which the PPSC has the authority to recover from other government departments and agencies

** Includes \$19 million actually recovered by the PPSC from other government departments and agencies

† Includes \$475 thousand which the PPSC has the authority to recover from other government departments and agencies

‡ Includes \$190 thousand actually recovered by the PPSC from other government departments and agencies





6 CONTACT INFORMATION

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160 Elgin Street, 12th Floor

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1-877-505-7772

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X1A 2N1
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Government
of Canada

Gouvernement
du Canada

Commissioner of
Canada Elections

Commissaire aux
élections fédérales

ANNUAL REPORT OF THE COMMISSIONER OF CANADA ELECTIONS

Yves Côté, Q.C.

Commissioner of Canada
Elections

Contact Us

ONLINE:

www.cce-cef.gc.ca

SECURE ONLINE COMPLAINT FORM:

[https://www.cce-cef.gc.ca/
complaint/index_e.aspx](https://www.cce-cef.gc.ca/complaint/index_e.aspx)

TELEPHONE:

1-855-759-6740

FAX:

1-800-663-4908 or 819-939-1801

MAIL:

Commissioner of Canada Elections
P.O. Box 8000 Station T
Ottawa, Ontario
K1G 3Z1

EMAIL:

info@cef-cce.gc.ca

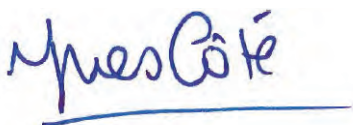
April 30, 2015

Mr. Brian Saunders, Q.C.
Director of Public Prosecutions
160 Elgin Street, 12th Floor
Ottawa, Ontario
K1A 0H8

Dear Mr. Saunders,

Pursuant to subsection 16 (1.1) of the *Director of Public Prosecutions Act*, I am pleased to submit the 2014–2015 Annual Report for my office. In accordance with the requirements described in subsection 16 (1.1), this report provides an overview of our activities and operations from April 1, 2014 to March 31, 2015, but contains no details of our investigative work.

Sincerely,



Yves Côté, Q.C.
Commissioner of Canada Elections

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COMMISSIONER'S MESSAGE

It is an honour to present the 2014–2015 annual report for the Office of the Commissioner of Canada Elections.

This past fiscal year has been one of considerable change for our organization. In particular, the adoption and implementation of Bill C-23 has had a significant impact on both our work and our working environment. As you will read in greater detail in this report, the transfer of our organization under the Director of Public Prosecutions (DPP) and the subsequent move to a new building – physically separating us from both Elections Canada and the Public Prosecution Service of Canada (PPSC) – presented a unique set of challenges not only for my staff but for those within the PPSC and Elections Canada as well.

I am sincerely grateful for the tremendous cooperation and goodwill of both PPSC and Elections Canada personnel throughout the transition period. It is thanks to their extremely generous collaboration that we were able to seamlessly transition from one organization to the next. Looking ahead, I am confident that the important agreements respecting the interactions between and among all three of

our organizations have us well-placed to carry out our respective mandates in an effective and independent manner.

Despite these very positive relations, the adoption of Bill C-23 has not been without its challenges. First and most importantly, I believe that there are a number of areas where additional legislative changes are required. When the legislation was debated in Parliament last year, I recommended that the Office be given the power to obtain orders from a judge to compel individuals to provide information in connection with matters under investigation, with necessary safeguards in place to protect the privacy interests of witnesses and their rights regarding self-incrimination. At that time I indicated that without this ability, some investigations would be lengthy and in some cases would abort altogether. One year on, I must unfortunately confirm that a number of our investigations have had to be closed because of individuals who – despite clear indications that they had information relevant to our investigations – refused to cooperate with us.

Additionally, we have a number of ongoing investigations that have taken much longer than they should, due in large part to our inability to get to the information.

Secondly – and this is also an issue I raised when C-23 was debated – I continue to be concerned by the lack of flexibility afforded by the enforcement mechanisms contained in the *Canada Elections Act*. Currently, there are essentially two enforcement tools available to us: compliance agreements and the laying of charges. Compliance agreements rely on cooperation, and more specifically, a willingness on the part of the other entity to enter into this type of agreement. Conversely, charges are a very heavy-handed and resource intensive tool involving large amounts of time, effort and money. In my view, the timely and efficient enforcement of certain provisions of the Act – particularly for minor violations of the legislation – would be made immeasurably easier if a regime of administrative monetary penalties were introduced.

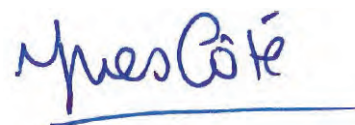
I would urge Parliament to re-examine these two issues at the first opportunity, as their implementation would provide more robust, efficient and timely enforcement of the rules enacted by Parliament to ensure fair elections. Furthermore, their adoption would only serve to enhance Canadians' trust in the electoral process.

As this transition period draws to a close, our office has naturally begun to turn its attention to preparations for the upcoming federal general election. As a result of the public attention surrounding a number of our recent investigations, we are anticipating a high number of complaints both during and after the electoral period. To better address complaints and enquiries, and conduct investigations

during this timeframe, additional personnel have been hired and trained to respond to potential compliance issues. We have also begun to develop tools to assist in educating the public about the role and mandate of our office – including some of the limitations to the Commissioner's jurisdiction and powers – in order to assist Canadians in making informed decisions about when and how to submit a complaint.

In closing, I am extremely pleased with the progress and results achieved by our office in 2014–2015. None of the work documented in these pages would have been possible without the outstanding efforts of each and every member of the Commissioner of Canada Elections' team. Their professionalism and willingness to take

on additional duties – particularly in light of the separation from Elections Canada – ensured that we continued to deliver on our mandate throughout the entire transition period. I am confident that the same commitment to excellence, independence and fairness that was present over this past year, will continue to guide our work in the busy year to come.



Yves Côté, Q.C.

Commissioner of Canada
Elections

ABOUT US

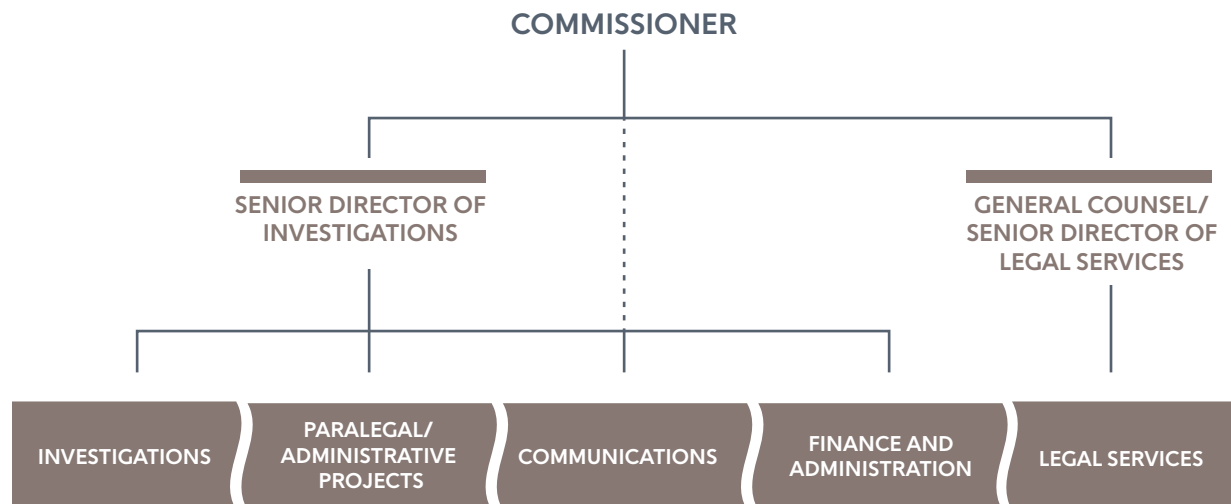
The position of Commissioner of Canada Elections (CCE) was originally created in 1974. The powers of the Commissioner of Election Expenses (as it was known at the time) were limited to compliance and enforcement of rules relating to election expenses. In 1977, the

Commissioner's powers were significantly expanded to include all provisions under the Act and the position formally became known as the Commissioner of Canada Elections.

Today, the Commissioner of Canada Elections continues to play an important role in safeguarding Canadians' trust in the democratic process. As an independent officer,

the Commissioner's dual roles of ensuring compliance with, and enforcement of, the *Canada Elections Act* (the Act) and the federal *Referendum Act*, are carried out with the aim of promoting the integrity of the electoral process.

The Commissioner is supported by approximately 25 people, including federal public servants and independent contractors.



Complaints and Referrals

All complaints and referrals received by the Commissioner with respect to the Act are assessed to determine if they fall within the mandate of the office. Individuals whose complaints or allegations do not fall under the Commissioner's area of responsibility – that is to say, are not covered by the Act – are advised and, wherever possible, are redirected to the appropriate complaint mechanism.

If, following a preliminary review, the Commissioner concludes that the allegations made in connection

with a complaint or referral may have merit, an investigation may be conducted to clarify the facts and gather evidence related to the alleged offence. At all times throughout the process, the Commissioner ensures that decisions are guided by the principles of independence, impartiality and fairness. Additional information regarding the Commissioner's mandate can be found in the *Compliance and Enforcement Policy of the Commissioner of Canada Elections* available on the Commissioner's Web site at: www.cce-cef.gc.ca.

Submitting a Complaint

The Commissioner receives complaints from a variety of sources. Anyone with a complaint or allegations of wrongdoing under the *Canada Elections Act* may contact the Commissioner's office:

by web form: www.cce-cef.gc.ca

by e-mail: info@cef-cce.gc.ca,

by fax: 1-800-663-4906 or 819-939-1801, or

by postal mail:

Commissioner of Canada Elections
P.O. Box 8000, Station T
Ottawa, Ontario
K1G 3Z1

THE YEAR IN REVIEW: 2014–2015

Bill C-23

There can be little doubt that the series of amendments to the *Canada Elections Act* that received royal assent on June 19, 2014, represent the most significant change to the way Canadian electoral events are administered and enforced in recent history. The changes brought about by Bill C-23 touch on almost every facet of the administration and governance of federal elections. They also make important adjustments to the compliance and enforcement measures that form the basis of the mandate of the Commissioner of Canada Elections.

In April 2014, the Commissioner testified before both the House of Commons Committee on Procedure and House Affairs and the Senate Committee on Legal and Constitutional Affairs on the subject of the proposed amendments to the Act. During his testimony, the Commissioner welcomed the amendments to the proposed enforcement measures, indicating that stiffer penalties and the creation of some new offences represented a significant improvement to the regime. However, the Commissioner also identified three areas of concern, specifically: the placement of the Commissioner of Canada Elections within the Office of the DPP; the inability of the Commissioner to seek a court order to compel testimony; and the restrictions on the office surrounding public communications.

Although the legislative amendments contained in Bill C-23 did not resolve all of the issues

identified by the Commissioner, they did bring about several notable changes to the compliance and enforcement regime.

Confidentiality

Historically, the Office of the Commissioner of Canada Elections has strictly limited the disclosure of information related to a complaint, referral or any activity pertaining to compliance with, or enforcement of, the Act. This limitation on the disclosure of information ensured the privacy rights of individuals – who may have been party to an investigation either as a complainant, a witness or themselves the object of a complaint – were protected. It also served to safeguard the integrity of the investigative process.

Under Bill C-23, the confidentiality rules were strengthened, making the Commissioner and his staff legally bound – except under very limited circumstances – not to disclose information related to their work. (ss.510.1(1))

Notification

The Commissioner of Canada Elections works with a team of qualified investigators charged with reviewing and examining complaints to determine whether there is sufficient and credible evidence to suggest an offence may have been committed under the Act. Investigators then make recommendations to the Commissioner if they believe an investigation should be initiated. Once an investigation has been initiated by the Commissioner, the Act, as amended by Bill C-23,

now requires written notice to be given to the object of the complaint. Bill C-23 does provide for an exception to this rule: notice does not have to be given if the Commissioner believes notification would compromise or hinder an investigation. (ss. 510(2))

Limitation periods

Before Bill C-23 received royal assent, the limitation period for all offences was ten years after the commission of the offence, but no later than five years after the Commissioner became aware of the facts giving rise to the offence. Under the new legislation, the limitation period for strict liability offences – cases where the prosecutor does not have to prove intent to prove the offence – is six years from the date of the act or omission giving rise to the offence (ss.514(1)). Offences requiring proof of intent are no longer subject to any limitation: they may be prosecuted at any time. This change applies to offences committed before the coming into force of Bill C-23. However, it does not resurrect the ability to lay charges in those cases where the limitation period had already expired. (ss. 514(3))

Obstruction of investigations

New rules now govern those who participate in the investigative process. Under the revised legislation, individuals who obstruct, hinder or knowingly make false or misleading statements to the Commissioner or anyone acting on his behalf, are now subject to steep fines, possible imprisonment or both. (s. 482.1)

New Voter Contact Calling Rules

Bill C-23 also included registration requirements for those engaging in voter contact calls during the election period. The new provisions, administered and enforced by the Canadian Radio-television and Telecommunications Commission (CRTC), require service providers, those making voter contact calls and those procuring voter calling services to register with the CRTC and retain registration information. The CCE remains responsible for enforcing the other rules in the Act, such as the rules against attempts to prevent an elector from voting at an election, or making a false statement as to the personal character or conduct of a candidate. In addition, the CCE is now also responsible for enforcing new retention requirements with respect to documentation related to the content of voter contact calls. The CRTC must provide registration information it has collected to the CCE – on request – where such information may assist the CCE in carrying out his investigative work. An agreement detailing the ways in which this information can and should be shared has been signed by both organizations.

Transfer to the Public Prosecution Service of Canada

With changes adopted through Bill C-23, the Commissioner and his staff are now housed within the PPSC. The legislation contains important safeguards aimed at protecting the integrity of the work carried out by the CCE, specifically a clause establishing the Commissioner's independence from the DPP in the conduct of

his or her investigations. However, while both entities recognize that effective enforcement and prosecution require that they exercise their respective roles independently – albeit co-operatively – there are some areas where shared corporate resources and services are both useful and cost-effective for the organization. Services previously provided by Elections Canada, including human resources, financial and security services are now provided by the PPSC. Conversely, as part of a negotiated agreement between the DPP and the Chief Electoral Officer, Elections Canada remains responsible for providing the majority of IT services to the CCE.

A detailed framework outlining the principles regarding the working arrangements between the DPP and the Commissioner of Canada Elections is publicly available on the CCE Web site.

New Location, New Resources

Prior to the transfer to the PPSC, the Office of the Commissioner of Canada Elections was co-located with Elections Canada in Gatineau, Quebec. The proximity of the two organizations facilitated investigative processes and ensured timely and efficient information sharing. Although the relationship with Elections Canada remains largely unchanged with regard to the requirement to share information, in transferring the organization to the PPSC, it was necessary to create a separation – both real and perceived – from both Elections Canada and the PPSC's prosecution function.

On February 16, 2014, the Commissioner and his staff officially took up residence in a new office

space located at 22 Eddy Street in Gatineau. The move provides the staff of the Commissioner's office with a secure and physically separate space in which to conduct their investigative work. The new accommodations also provide space for the additional legal, communications and intake personnel hired following the separation from Elections Canada as well as any additional resources who may be engaged temporarily to assist with the next general election.

Compliance and Enforcement

The integrity of the electoral process relies on the good faith of participants and their willingness to follow the requirements set out in Canadian election law. The Commissioner's mandate reinforces and strengthens oversight of the electoral system, ensuring all participants can confidently partake in the electoral process.

The *Compliance and Enforcement Policy of the Commissioner of Canada Elections* outlines how the Commissioner exercises his mandate under the Act. Following the implementation of Bill C-23, the policy was revised to reflect the changes to the Commissioner's mandate resulting from the various amendments to the Act.

Caution Letters

Caution letters provide an informal means of ensuring compliance with the Act. Between April 1, 2014, and March 31, 2015, the Commissioner issued 23 caution letters to address minor contraventions or inadvertent non-compliance.

Compliance Agreements

The *Canada Elections Act* provides that the Commissioner may enter into a compliance agreement with anyone who he has reasonable grounds to believe has committed, is about to commit or is likely to commit an act or omission that could constitute an offence. Compliance agreements are voluntary and set out the terms and conditions the Commissioner considers necessary to ensure compliance with the Act.

Between April 1, 2014 and March 31, 2015, the Commissioner entered into two compliance agreements:

- The first was with a municipal government for the purchase of a ticket for a federal political fundraising event, which constituted a corporate contribution under the Act.
- The second agreement was with an elector who had requested a second ballot, after having already voted, during the 2011 federal general election.

Charges and Prosecutions

If the Commissioner believes on reasonable grounds that an offence has been committed under the Act, he may refer the matter to the DPP, who has sole authority to decide whether charges will be laid. The DPP acts as an independent prosecution authority, with a mandate to prosecute cases under federal law and to provide legal advice to investigative agencies.

Between April 1, 2014 and March 31, 2015, the following charges were laid:

- Charges were filed on October 2, 2014 in the Ontario Court of Justice in Brampton against Mr. David Del Mastro and Ms. Tori-Lynn Manchulenko. The individuals were charged with knowingly concealing or attempting to conceal the identity of the source of a contribution and knowingly circumventing the campaign contribution limit for an individual donor.
- A fine of \$500, payable at a rate of \$50/month with payments commencing on December 15, 2014; and
- 3 years' probation.

As of March 31, 2015, these matters were pending before the courts.

Court Decisions

Decision regarding campaign spending in the electoral district of Montcalm

On December 1, 2014, the Court of Québec imposed a sentence on Mr. Michel Paulette of Terrebonne, Quebec, a candidate for the electoral district of Montcalm during the 2011 federal general election. The sentence, related to charges of unlawfully stealing a sum of money over \$5000, an offence under the *Criminal Code*, and submitting a false or misleading return, an offence under the *Canada Elections Act*, was as follows:

- 240 hours of community service to be served within 18 months following sentencing;
- Restitution under paragraph 738(1)(a) of the *Criminal Code* of the sum of \$361.07 to the Conservative Party Association for the electoral district of Montcalm and \$7,757.54, payable to the Receiver General of Canada;
- Repayment of the sum of \$1,300, to the Conservative Party Association for the electoral district of Montcalm, payable at a rate of \$50/month with payments commencing on October 15, 2015;

Decision regarding campaign spending in the electoral district of Peterborough

On October 31, 2014, the Ontario Court of Justice found Mr. Dean Del Mastro and Mr. Richard McCarthy guilty of knowingly exceeding campaign spending limits and submitting false or misleading financial reports. The former Member of Parliament and his official agent were charged in relation to events that took place during the 2008 federal general election.

As of March 31, 2015, no decision had been made regarding sentencing for the two individuals. The matter remains before the courts.

Decision regarding misleading phone calls in Guelph

In August 2014, the Ontario Court of Justice convicted Mr. Michael Sona of having wilfully prevented or endeavoured to prevent an elector from voting at an election. On November 19, 2014, the court sentenced him to 9 months imprisonment and 12 months' probation (including 100 hours of community service work to be completed within the first 10 months of the probation order).

Both the prosecution and the defence are appealing the sentence.

Report into deceptive telephone calls outside of Guelph

In April 2014, the Commissioner released the findings of an investigation into deceptive telephone calls ('robocalls') outside the electoral district of Guelph. The report detailed the extensive investigation carried out by CCE investigators with respect to the allegations of nuisance calls and calls providing incorrect polling locations. It also explained the investigation's findings and identified the reasons why there were insufficient grounds for the Commissioner to recommend that any charges be laid.

Given the significance of the robocalls issue for Canadians, the Commissioner also retained the services of an outside expert to review the investigation in its entirety. The Honourable Louise Charron, a former justice of the Supreme Court of Canada, was given complete access to all materials and information relating to the investigation. Her review offered strong support for both the overall quality of the investigation and its findings that there were no grounds to believe that an offence had been committed.

Additional information regarding the investigative work carried out by the Commissioner of Canada Elections can be found online at: www.cce-cef.gc.ca.

Written Opinions, Guidelines and Interpretation Notes

Since December 19, 2014, as part of the amendments to the *Canada Elections Act*, the Commissioner is required to provide comments on draft written opinions, guidelines or interpretation notes proposed by the Chief Electoral Officer.

Guidelines and interpretation notes discuss the application of a provision of the Act to registered parties, registered associations, candidates, and/or leadership or nomination contestants (referred to collectively as "regulated political entities"). A guideline or interpretation note is issued for information purposes only and is not binding on regulated political entities. In keeping with the Act, the Commissioner has 15 days to comment on the drafts of these documents. When the guideline or interpretation note is officially issued, the Chief Electoral Officer must also publish the comments received from the Commissioner on the draft version.

Similar requirements exist when a registered party makes a request to the Chief Electoral Officer for a written opinion on the application of any provision of the Act. In this case as well, the Commissioner must comment on the draft within a 15-day consultation period, and these comments are published

along with the final written opinion. If all material facts submitted with the application were accurate, the final written opinion is binding on the Chief Electoral Officer and on the Commissioner with respect to the activity or practice of the registered party that made the request or of its affiliated regulated political entities. With respect to similar practices or conducts of all other regulated political entities, the written opinion has precedential value for the Chief Electoral Officer and the Commissioner.

Soon after the coming into force of these provisions, the Chief Electoral Officer issued a series of draft guidelines and interpretation notes. The Commissioner provided comments on the drafts, as required by the Act. A registry, maintained by the Chief Electoral Officer that contains all written opinions, guidelines and interpretation notes, including the Commissioner's comments, is accessible to regulated political entities and the public via the Elections Canada Web site.

(<http://www.elections.ca/content.aspx?section=res&dir=gui&document=index&lang=e>)

LOOKING AHEAD

2015 General Election

Each election brings with it a series of unique challenges. In order to fully discharge its mandate both during and immediately following the election, it is essential that the Commissioner and his staff have the resources required to quickly respond to issues as they arise. Throughout 2014–2015, the Office of the Commissioner of Canada Elections has focused its efforts on ensuring a seamless and coordinated approach to investigations. As part of these measures, the Commissioner and his staff continue to work with officials from Elections Canada and the CRTC to establish new practices and procedures that will facilitate information sharing between the organizations.

In anticipation of an increased number of complaints, in early 2015 the office also took steps to create a pool of qualified investigators that the Commissioner may draw upon to assist with the evaluation and investigation of possible offences arising out of the election.

Interacting with Canadians

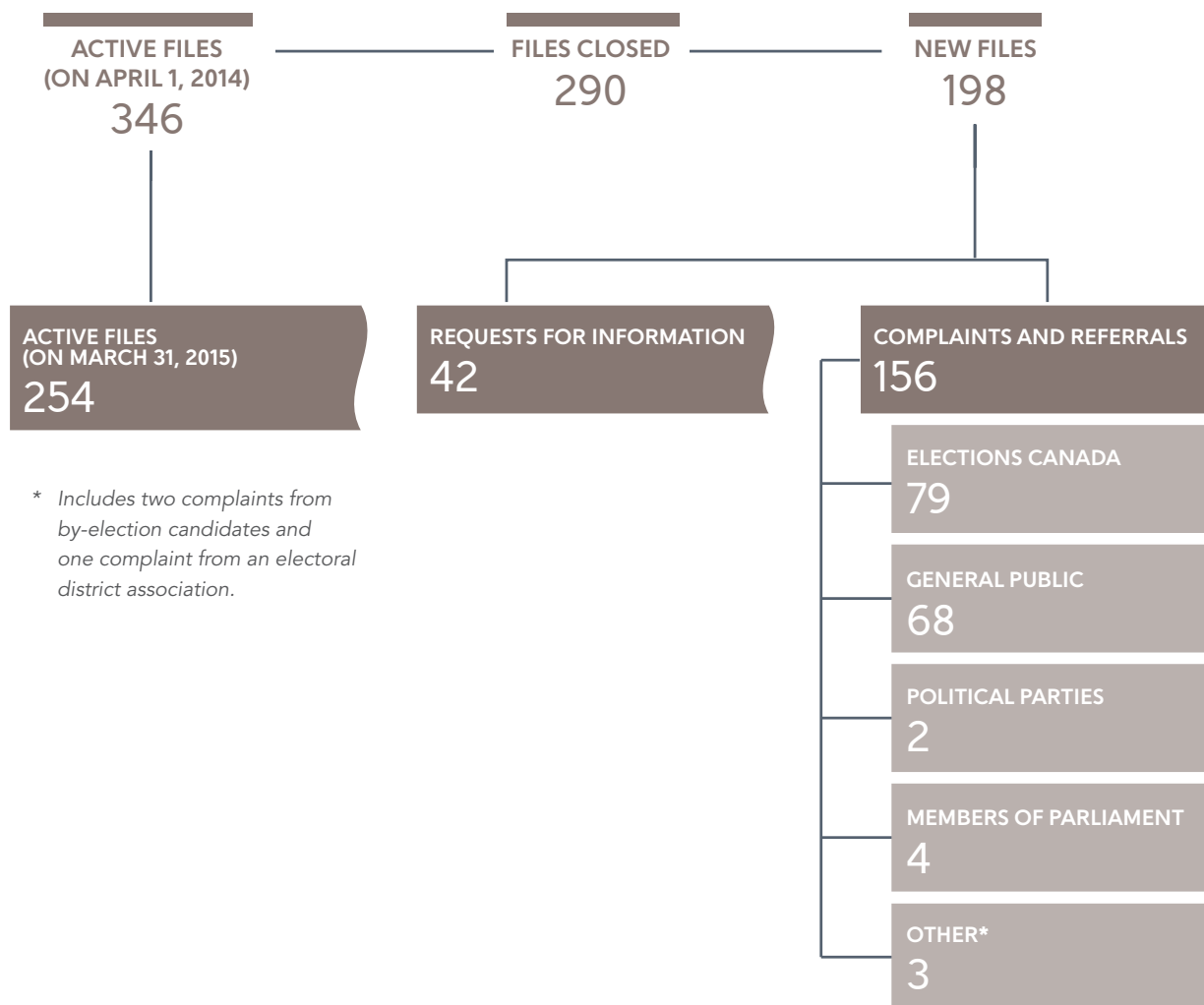
The Commissioner of Canada Elections is committed to providing timely responses to compliance and enforcement-related enquiries from the public and the media. In 2014–2015, the office added new communications and public enquiries staff to bolster the office's ability to communicate directly with the general public, media and stakeholders. This expanded, public-facing presence not only improves upon the CCE's ability

to respond to requests for information in a timely manner, but allows the organization to proactively address questions related to the mandate of the office. This flexibility will be a key component in the office's preparations for the next general election.

The Office of the Commissioner of Canada Elections strives to respond to all complaints in a timely manner. In that vein, throughout 2014–2015, the office has been engaged in the development of a more efficient, effective and responsive service delivery model. Among the initiatives undertaken to meet these new standards is the full implementation of new case tracking software that has positioned the office to quickly and expertly adapt to a rapidly changing environment.

APPENDIX A – DISPOSITION OF CASES

(April 1, 2014 to March 31, 2015)



Comparison of active files per year:

	2012-2013	2013-2014	2014-2015
Active Files	424	346	254

Most common referrals from Elections Canada

- 13 complaints were received concerning the failure to file a report of nomination contest;
- 12 complaints were received concerning the failure to provide financial transactions return for fiscal period or related documents of a deregistered electoral district association;
- 11 complaints were received concerning the failure to satisfy bank account requirements;

- 9 complaints were received concerning the failure to dispose of surplus electoral funds; and
- 8 complaints were received concerning the failure to pay recoverable claim in timely manner.

Most common topics from the public

The most common complaint received from Canadians in fiscal year 2014–2015 concerned communications received from political

parties or Members of Parliament. Specifically, complainants expressed concerns and, in many cases, frustration regarding the fact that political entities had obtained their personal information – in particular their phone numbers and email addresses – and had been in contact with them. Many also objected to what they saw as public resources being used for partisan advertising. These issues comprised 31 complaints from the public.

APPENDIX B – FINANCIAL TABLES

(April 1, 2014 to March 31, 2015)

FISCAL YEAR 2014–2015

	APPROPRIATION	UNAPPROPRIATED FUNDS - CRF	
	INDETERMINATE POSITIONS	OTHER	TOTAL
Salaries	\$1,398,839.00	\$719,671.00*	\$2,118,510.00
Expenditures		\$3,791,200.00	\$3,791,200.00**
			\$5,909,710.00

* Employee benefits packages are included as part of unappropriated spending.

** Includes expenditures associated with moving the Office of the Commissioner of Canada Elections to a new facility following its transfer to the Public Prosecution Service of Canada.