

# Sponsorship director's fate in hands of official who helped shepherd funds

**LOUISE ELLIOTT AND JIM BRONSKILL**

OTTAWA (CP) - The fate of a central figure in the federal sponsorship scandal is being decided by a high-ranking fellow bureaucrat who helped shepherd through funding for the program and later took part in managing the government's response to the affair.

Richard Fadden, president of the Canadian Food Inspection Agency, will rule on what disciplinary action, if any, to take against Pierre Tremblay, who became director of the widely discredited sponsorship initiative in 1999.

Tremblay left his post at the Public Works Department two years later to become vice-president of public affairs at the food inspection agency. Severely ill, he has been on sick leave since September.

Fadden, who has been pondering Tremblay's fate for days, also has a history with the sponsorship program. He played a role in securing funding for the initiative as a senior Treasury Board official and helped oversee a revision of the foundering program while at the Privy Council Office.

The sponsorship scheme, intended to raise the profile of the federal government following the near-victory of secessionist forces in the 1995 Quebec referendum, involved the questionable funnelling of millions of dollars to fairs and sporting events through Liberal-friendly advertising firms from 1997 to 2002.

Tremblay was given 10 days to respond to the findings of a hard-hitting report on the program delivered last month by Auditor General Sheila Fraser.

The study singled out Tremblay and his predecessor at Public Works, Chuck Guite, by their job titles, revealing that \$100 million in program funds were misspent or unaccounted for during their tenure.

Fadden has the final say on whether Tremblay will be sanctioned or disciplined, said Marc Richard, a spokesman for the food inspection agency. "The ultimate decision-maker is Mr. Fadden because he is the president of the CFIA."

Fadden did not respond to several requests from The Canadian Press for an interview.

His own association with the sponsorship program has prompted questions about whether he is best placed to rule on Tremblay's performance.

There may be a perception of partiality in having Fadden decide Tremblay's future, said Conservative MP John Williams, who chairs a Commons committee now probing the sponsorship affair.

"If Mr. Tremblay played a role in keeping it quiet by playing his part, Mr. Fadden has a conflict in terms of rewarding that co-operation," said Williams.

He was careful to note that there is no evidence Fadden knew of the abuses in the program while they were taking place.

But Williams questioned why two top officials who worked on the sponsorship file now work for the food agency, which doesn't answer to the Public Service Commission.

"The people who may have something to tell . . . are parked in these peripheral agencies that are difficult to get to," he said.

"The tentacles of this sponsorship program seem to be permeating all parts of government at the upper levels."

Fadden phoned Tremblay on Feb. 20 and was to speak with him again recently, but spokesman Richard could not confirm whether a second conversation had actually taken place.

"Right now we're at the stage of discussions between an employee and his employer," he said. "And it's inappropriate to comment much further on that."

Federal disciplinary guidelines set out by Treasury Board are being followed in Tremblay's case, said Richard. But it is not clear when a decision regarding his future will be made.

Tremblay's illness may prevent him from testifying at the Commons committee and a public inquiry looking into the scandal.

Guite, who retired from Public Works in 1999, is also unlikely to appear at hearings any time soon, as he is on an extended vacation in Arizona. Sources say he and his wife left Ottawa last fall and are not expected back until spring.

Fadden's name appears in secret cabinet documents recently disclosed to the Commons public accounts committee.

He was responsible for directing requests - including ones on funding and promotions - from Public Works to a cabinet committee of Treasury Board ministers when he served as an assistant secretary for infrastructure and operations in 1998, said Treasury Board spokesman Mario Baril.

"He would have been responsible for processing submissions (related to sponsorship)," Baril said.

The records show Fadden attended a September 1998 meeting of Treasury Board at which cabinet members, including then public works minister Alfonso Gagliano, approved the promotion of Guite to the level of assistant deputy minister in charge of advertising, communication and public opinion research for the department.

Guite was to "provide authoritative advice" to Gagliano in the minister's role as chair of a cabinet subcommittee.

Tremblay served as chief of staff to Gagliano between 1997 and 1999, and was subsequently hand-picked to take over from Guite as executive director of the sponsorship program.

When early signs of the sponsorship scandal surfaced in May 2002, Fadden helped manage the government's reaction. Documents released under the Access to Information Act show that as deputy clerk of the Privy Council, he was among a group of senior bureaucrats who oversaw a revamping of the sponsorship program and the introduction of several follow-up activities on government ethics.

© The Canadian Press, 2004