

Former SNC head says onetime executive betrayed him

Jacques Lamarre blames company's struggles on jailed executive

By John Nicol and Dave Seglins, [CBC News](#)

Feb 22, 2013 1:00 PM ET

Former SNC-Lavalin president and CEO Jacques Lamarre blames the company's current troubles on foreign agents who broke the company's guidelines. (Adrian Wyld/Canadian Press)

The former head of SNC-Lavalin says that during his 13-year leadership, he had checks and balances in place to prevent what he called "the mess the company is in," but he was betrayed by a man he promoted and cheered on.

"We have all been abused by Monsieur Riadh Ben Aïssa," Jacques Lamarre told CBC News about the man he promoted to executive vice-president of international construction. "All the sources of our troubles [are] coming from him."

Ben Aïssa is detained in Switzerland on charges of money laundering and influencing foreign officials, accused of directing \$160 million in kickbacks to Saadi Gadhafi, son of deposed Libyan dictator Moammar Gadhafi, for several large projects SNC-Lavalin won in the North African country.

Ben Aïssa, Lamarre said, "was a good achiever. You should see those projects over there. Real good achievements. These projects were all well-executed. He was a high achiever, and that is why he was able to abuse."

Had Lamarre known of Ben Aïssa's tactics, "I would have kicked him in the ass and out the door. That was completely unacceptable.

"I am not of the belief that corruption could help you succeed in life."

CBC News reached out to the Quebec business icon after revelations Thursday that police are now probing SNC dealings in in Algeria and an alleged pattern of kickbacks taking place there through agents of international companies, including SNC-Lavalin.

Speaking for himself, and not on behalf of the company he left almost four years ago, Lamarre said agent agreements were necessary in places like Libya.

"It was the fee on those things was something between four to five per cent of the value of the contract," he said. "And we thought that it was money well earned, because it was

difficult to work over there, and those people, in accordance with the operation division, [were] helping a lot to make sure that we were able to manage those project in a proper way.

"But we did bid many jobs in Libya that we didn't get and, in fact, it was not something easy to get ... over there."

SNC declined to comment on the investigation in Algeria.

"Anything related to investigations now ongoing cannot be commented upon, since we wish to have these investigations completed as rapidly as possible without compromising in any way their outcome," SNC's Leslie Quinton said by email.

Dealings in Algeria

Lamarre, 68, said all agent agreements were submitted to the SNC-Lavalin board, so "everybody knew about it. It was not something done in secret. It was a serious matter."

When asked if he was aware about the agent agreements in Algeria, he paused before suggesting we talk to SNC-Lavalin about them.

"I don't think it was legal in Algeria yet to have an agent agreement," Lamarre said, adding that he didn't believe any agreement was signed during his tenure. "For me, I would be very surprised. Very surprised."

He suggests the checks and balances within the agent agreements — that clearly laid out how the agents must do everything legally and must respect Canadian laws and laws within the countries where they were operating — were thwarted by Ben Aïssa.

"We were signing a piece of paper saying that they need to behave and to act and if they didn't want to, we would not accept that. For us it was something ... I am talking about the time I was there, I was very serious on that. Deadly serious."

Ben Aïssa could not be reached in his Swiss jail, and his lawyers were also unavailable. In a separate suit filed by Ben Aïssa's brother, he claims SNC management knew exactly what his brother was up to.

Lamarre said he met twice with Moammar Gadhafi, and there was never any mention of kickbacks or wanting to be rewarded for SNC getting contracts there.

"He was talking about the overall picture," Lamarre recalled. "He was complaining about the visa for the Libyan students coming in Canada. And he was, it was those kind of discussion and saying that he would like to have a better relationship with Canada and all that."

SNC response to scandal 'positive'

CBC News also presented Lamarre with allegations from SNC-Lavalin insiders that Ben Aïssa was the main person helping Lamarre rise within the company, and that Lamarre promoted him as a reward.

"Wait a minute — main guy? That's not true. He was a good achiever. Not the main guy. He was coming from North Africa. I was happy to see someone like him becoming a great guy in the company, and I was happy with him.

"But now I'm so mad it's incredible for all the same reasons."

As for the company tolerating Ben Aïssa's actions because everyone benefited from them, he said: "I would say doesn't make any sense, doesn't make any sense. For us, it's something it would not make any sense in a company like us that those kinds of things would have been tolerated."

He said the one positive thing is how forthright the company has been with investigators, and Lamarre says he has only been approached by Swiss authorities, and no one else.

Watchdog, analyst question SNC 'agent agreements'

"I have no confidence [in statements by SNC's officials]," said Anthony Scilipoti, of Veritas Investment Research of Toronto, who has been highly critical of the company after a series of allegations beginning in 2012 about improper payments and police allegations involving hundreds of millions of dollars paid in potential bribes.

"This is something that is systemic, it's long standing and needs to be cleaned up." Scilipoti told CBC News in response to revelations that police are now probing millions SNC Lavalin allegedly paid to agents in Algeria. "Who knew what? When? What was really going on? What dollar amounts were paid to whom?"

Janet Keeping of Transparency International Canada, an educational corruption watchdog, says SNC-Lavalin is one of many Canadian companies that hire agents to assist with projects in foreign countries.

"In and of itself, there's nothing wrong with that." Keeping told CBC News. "But I'm afraid in many, many cases, the agents are doing quote-unquote, 'the dirty work for the company.'"

Keeping says the RCMP are taking foreign corruption more seriously, citing two recent cases: private oil and gas company Griffiths Energy of Calgary pleaded guilty last month to using consulting contracts to disguise \$2 million in bribes to officials in Chad, Africa. Niko Resources Ltd. of Red Deer, Alta., also recently pleaded guilty to bribing officials in Bangladesh.

"It's Canadians going abroad to make money. which is all legit," Keeping said. "But if what they do in the process is make the governance, the public governance systems of the

countries in which they are operating, even worse than they already were then, that's a bad thing. it's not a good thing, And that's what they are doing when they bribe officials in Chad, or Bangladesh, or maybe Algeria or Libya, You name it.”

With files from Brigitte Noël and Jeremy McDonald