

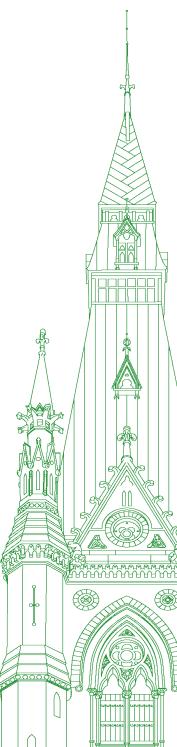
44th PARLIAMENT, 1st SESSION

Standing Committee on Government Operations and Estimates

EVIDENCE

NUMBER 108

Wednesday, March 13, 2024



Chair: Mr. Kelly McCauley

Standing Committee on Government Operations and Estimates

Wednesday, March 13, 2024

● (1105)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): I call this meeting to order. Welcome to meeting number 108 of the House of Commons Standing Committee on Government Operations and Estimates, fondly known as the mighty OGGO. Thank you to Northern Perspective for that shout-out, as well, for the mighty OGGO.

Pursuant to Standing Order 108(3)(c) and the motion adopted by the committee on Monday, October 17, 2022, the committee is meeting to consider matters related to the ArriveCAN application.

As always, I will remind you to not put earpieces next to the microphones, as that causes feedback and potential injury to our very vital translation department.

Welcome back, Mr. Firth, to OGGO.

Just quickly, colleagues, I'll explain that Mr. Firth's lawyer, Mr. Brent Timmons, will be with us throughout the meeting with his client. Mr. Timmons, though, is not a witness, and thus he may not address the committee. Counsel may be on the Zoom call with the witness and may speak directly to the client, but not to the committee or committee members. I will note for committee members that they should question only the witness; they should not speak to or ask questions of the lawyer, who is not appearing as a witness.

Mr. Firth may from time to time talk to Mr. Timmons, in which case he will turn off his mic. If it is during one of your interventions, we will pause the clock for that moment. We will suspend for 10 minutes after the first two rounds to give Mr. Firth, Mr. Timmons and the members a break. After that, it will be every two rounds that we will suspend for five minutes.

My intent, colleagues, is to have the clerk swear in Mr. Firth, if that is fine with everyone.

Mr. Clerk, go ahead. Then we'll have Mr. Firth for an opening for five minutes.

The Clerk of the Committee (Mr. Thomas Bigelow): Mr. Firth, I just sent you an email. You have the choice of either a religious oath or a solemn affirmation. I will perhaps give you and Mr. Timmons a second to see that email, but I can also walk you through that. Please do let me know if you prefer the oath or the solemn affirmation.

Mr. Kristian Firth (Partner, GC Strategies): I'd like the oath, please.

The Clerk: In the case of the oath, I will read the following passage, and you can respond: Do you swear that the evidence you shall give on this examination shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Kristian Firth: I do.

The Clerk: Thank you, sir.

The Chair: Thank you very much, Mr. Firth.

We will turn the floor over to you for an opening statement. Please go ahead, sir.

Mr. Kristian Firth: Thank you.

This is my third time before the committee. I have been compelled to be here.

In the last month, virtually everything reported about my company in the media and stated about me and my company has been false.

I have submitted to the committee a complete list of all contracts we have been awarded from the government in our history. I have included the nominal value of the contract and, more importantly, the full amounts we have invoiced the government under those contracts. We have also included the total amount we have paid our subcontractors under those contracts. As you can see, the amounts paid to GC Strategies are not the astronomical amounts being claimed by some committee members.

Since my last appearance before you, this committee has summoned many departments and their representatives with whom we have had dealings. The committee informed each of these representatives that we were criminals, forgers and fraudulent. The committee said that if the departments did not terminate all our contracts and suspend our ability to obtain contracts, they were negligent and complicit in misusing taxpayer money.

The committee also strongly encouraged each department to refer these matters to the RCMP. As a result, and not surprisingly, each department complied, terminating our agreements and our ability to continue government work. In addition, they have confirmed that matters have been requested and referred to the RCMP for investigation. As a result, although I welcome an independent investigation, because it will exonerate me, the committee has not chosen to wait for the results of that investigation, so I will not be able to answer questions about the matters referred to the RCMP. I trust you'll understand.

GC Strategies has appeared before this committee twice, giving hours of testimony. We have also co-operated throughout the entire study and provided all documentation requested of us. We have been portrayed as reluctant witnesses by some committee members and the media. However, the truth is that we've always been accessible and willing to answer committee members' questions in writing. The committee has not once reached out for a response to a question. Instead, the committee has exercised the most extreme measures: We have had the full weight of the government come down on us, compelling us to be here by subpoena, while the committee knows full well that this is against medical advice, as outlined in the doctors' notes we have provided as part of the evidence package. I'm certain any medical professional would attest that the threat of arrest and detainment would cause undue stress.

Since our first publicized appearance, my business partner and I have received hundreds of threatening and abusive emails, all of which have been documented and shared. I would read these aloud, but to be frank, they are vile and not civil for any audience. The nature of these communications, threatening our lives and the lives of our families and children, has given rise to our reasonable request that future appearances not be televised. The chair, unilaterally and without justification, denied our request and is intent on isolating Mr. Anthony and me from each other and on broadcasting the meetings to the widest possible audience.

Over the past few months, we have had our home addresses and images of our homes published across the media. Journalists have turned up at our private property. Our family members have been confronted, and our young children have been approached and had their privacy violated by strangers who have taken photographs of them while they were in hockey changing rooms. Surely the members of this committee can agree that this isn't an acceptable outcome from this process. Because of these concerns, we have offered to appear in public but requested that such appearances not be televised. Our requests have been rejected; we've been separated, and we're being televised. We can only conclude that the televised nature of today's meeting aids in political goal scoring while we are simultaneously used as media fodder at the expense of our health and the safety of our families. This is neither fair nor reasonable.

I have shown up and will answer questions to the best of my ability, but I may require frequent breaks. I will answer questions for as long as I am able, but I cannot guarantee that I will be able to make it all the way through.

Thank you.

• (1110)

The Chair: Thanks, Mr. Firth. We would just ask, if you do require additional breaks, that you let us know.

We'll start with Mr. Barrett for six minutes.

Go ahead, please.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Mr. Firth, is it correct that you have legal counsel with you this morning?

Mr. Kristian Firth: That is correct.

Mr. Michael Barrett: This is the first of your appearances in which you have had a lawyer present. You didn't in previous appearances.

Have you ever lied to a parliamentary committee before?

Mr. Kristian Firth: I think in previous testimony you'd see the answer to that question, with respect to the chalet and the cottage.

Mr. Michael Barrett: Is that a yes?

Mr. Kristian Firth: I would advise you to go and watch my previous testimony.

Mr. Michael Barrett: I was there and asked the question, and of course you did lie about Mr. MacDonald's secondary residence, quite famously, and about it not being a cottage but in fact a chalet. Further, you lied about meeting government officials outside of government offices. Further, you lied about providing hospitality to government officials.

There was a great deal of information requested of you but not furnished to the committee. You promised to tell the committee who in government contacted you about ArriveCAN. That information hasn't been provided to us. You didn't disclose meetings with government officials, and you have failed to provide documentation that the committee has asked you for.

Last week, government officials announced that files concerning GC Strategies' role and involvement in arrive scam had been sent to the RCMP. Did the government make you aware of that, yes or no?

Mr. Kristian Firth: No, they have not.

Mr. Michael Barrett: Has the RCMP contacted you about ArriveCAN?

Mr. Kristian Firth: No, they have not.

Mr. Michael Barrett: The RCMP, further, has not interviewed you.

Mr. Kristian Firth: That is correct.

Mr. Michael Barrett: Have you been contacted by the RCMP about any work relating to any companies or ventures that you're involved in and their work with the Government of Canada or government officials?

Mr. Kristian Firth: No, I have not.

Mr. Michael Barrett: Do you know if your partner, Darren Anthony, has been contacted by the RCMP to the same effect?

Mr. Kristian Firth: I do know, and he has not.

Mr. Michael Barrett: If requested by the RCMP, will GC Strategies' files, computers, emails, cellphones and any area where data is stored or devices that have been used to communicate with the Government of Canada as part of its investigation into arrive scam...will you voluntarily submit that information to the RCMP?

Mr. Kristian Firth: We will deal directly with the RCMP once it contacts us.

Mr. Michael Barrett: Sir, how much did you state, in your previous appearance before this committee, that you were paid to work on ArriveCAN?

Mr. Kristian Firth: For the ArriveCAN application build, which is what we gave our numbers for to the committee last year, we said it was approximately \$11 million. That was the application build.

Mr. Michael Barrett: Though you've said that all of the reporting about your company since your last appearance has been false, there's been heavy media reporting about the work of Canada's Auditor General. She detailed a different number.

Is the information that the Auditor General has submitted incorrect?

Mr. Kristian Firth: Yes, it is. We were actually asked by the Auditor General to give comment prior to the report being published on whether we could support the numbers she was putting in there

Actually, I remember from my previous testimony—when I was ridiculed and called "disingenuous" for not having the true cost of ArriveCAN—we discussed the fact that there were three COVID-19 pandemic contracts. There was not one that was solely set aside for ArriveCAN, so I can understand why it was hard for the Auditor General, with her also indicating that some of the task authorizations for ArriveCAN could have had resources doing no work.

After my testimony, how I got the numbers there is that I painstakingly went through every single invoice and spoke to every consultant to get an understanding of what their level of effort was for the ArriveCAN application build, and my numbers were in line with what Mr. Utano testified last time.

• (1115)

Mr. Michael Barrett: Okay. That's information you ought to have had at your last appearance, but I'll take the Auditor General's word that the number was in excess of \$19 million, which, of course, is not the number that you submitted to this committee.

At your second appearance before this committee, you testified that you did not meet with government officials outside of government offices, and we now know that you did that on multiple occasions.

Why did you lie to this committee?

Mr. Kristian Firth: It was not a lie. I was just unaware. I hadn't checked all of my Outlook.

However, I can tell the committee today that I have met with officials outside of work.

Mr. Michael Barrett: Of course, we know that, sir, and we understand you're telling us that now, having been caught in the lie.

The question is this: Why did you believe it was necessary to attempt that deception before this parliamentary committee?

Mr. Kristian Firth: It wasn't deception. I just wasn't informed of all the meetings that I had or did not have. I didn't have access to my Outlook.

Mr. Michael Barrett: What are the names of all the government officials you have met with outside of government offices?

Mr. Kristian Firth: I'm more than happy to provide that information in writing, but I'm not prepared to do that right now, televised.

Mr. Michael Barrett: Are you able to name a single...?

Well, sir, it's not at your discretion which answers you're able to provide in writing. I'm asking you a question. Are you refusing to answer the question?

Mr. Kristian Firth: No. I gave you my answer. I'm not refusing to answer the question. I will give you the names—

Mr. Michael Barrett: So what are the names, sir? What are the names?

The Chair: I have to interrupt. That is our time. Perhaps we can get to it in the next round.

Mr. Sousa, please.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Mr. Chair.

Mr. Firth, before we begin, have you ever been approached separately by any individual members of this committee or any other committee, besides the chair?

Mr. Kristian Firth: No, I have not.

Mr. Charles Sousa: Have people been trying to reach out to you?

Mr. Kristian Firth: No one from the committee has.

Mr. Charles Sousa: Okay.

You've already indicated how much you received for work you did related to the contracts for ArriveCAN. How much was that?

Mr. Kristian Firth: I gave over, in October, approximately 11 million dollars' worth of invoices.

Mr. Charles Sousa: How much commission was that? How much did you receive for your services? You have costs there, right?

Mr. Kristian Firth: Yes, approximately \$2.5 million is the gross number.

Mr. Charles Sousa: I mean net to you.

Mr. Kristian Firth: You mean net to me.

Exactly. It's gross, less expenses and less tax.

Mr. Charles Sousa: I understand.

In terms of politicians, have any elected officials ever approached you to negotiate a contract?

Mr. Kristian Firth: No, they have not.

Mr. Charles Sousa: Have any politicians or members of Parliament in the past approached you to do a contract?

Mr. Kristian Firth: No, sir.

Mr. Charles Sousa: Your involvement.... Let's understand Coredal Systems for a second. Explain to me that relationship and your involvement with that company.

Mr. Kristian Firth: We had no relationship at all with Coredal. We purchased it in April 2015 and subsequently took three to four months to do a name change for the CRA and PSPC, to absorb those corporate requirements.

Mr. Charles Sousa: Had Coredal been a government contractor in the past?

Mr. Kristian Firth: I believe so, yes.

We never worked with Coredal, ever, especially not prior to April 2015.

Mr. Charles Sousa: Was there involvement by you or GC Strategies prior to 2015? How long have you been doing work for the government? I guess that's what I'm trying to get at. How long have you, besides GC Strategies, been contracted?

Mr. Kristian Firth: It was 2007 when I first started being in the IT [*Technical difficulty—Editor*] services to the government.

Mr. Charles Sousa: Do you recall how much you've received overall from the Government of Canada, including those years?

Mr. Kristian Firth: I'm sorry. Do you mean how many contracts?

Mr. Charles Sousa: Yes, I mean how many contracts and how much money you've made over that period of time.

Mr. Kristian Firth: It's probably close to a hundred contracts in totality from 2007 to 2023.

Mr. Charles Sousa: Was that process similar to the way you're doing it now? You arrange a contract, and then you subcontract to service providers and skill sets. Is that how it works?

Mr. Kristian Firth: Yes, I've been working in the IT staffing industry since 2007, like the other 636 firms that are out there.

Mr. Charles Sousa: Do you know if that's normal practice in industry and in other governments as well?

• (1120)

Mr. Kristian Firth: Yes. I can't speak to other industries, but in the federal government, where I've been working since 2007, I can say that that's normal practice.

Mr. Charles Sousa: In your deliberations in coming here to-day.... I mean, it seems that it's been very tough on you and your family.

What is it that people perceive that you're trying to hide? What is it that is concerning you here?

Mr. Kristian Firth: It's actually just how this whole thing is being conducted. It's not about information or how it's being shared, or even about asking the questions.

Anybody in our industry or anybody in the 5,000 IT staffing firms employing 81,000 and contributing \$10 billion to the economy knows exactly what our staff...and what our business model is. People who are misinformed and misled are the ones up in arms about understanding this. There's a cost of doing business, and 636 other firms have the same business processes as we do.

Mr. Charles Sousa: When ArriveCAN came to be and the government was looking at trying to put this together, did you approach them, or did someone approach you?

Mr. Kristian Firth: The first time I knew that this was going to be a pandemic response contract, I was reached out to by PSPC. They were the ones who informed me that there was going to be a contract issued to us. It was a precontract email, saying, "Just so you know, GC Strategies has been selected for a contract award of \$2.35 million."

Mr. Charles Sousa: Who signed that email? Who did that come from?

Mr. Kristian Firth: It came from Angela Durigan of PSPC.

Mr. Charles Sousa: Prior to that, you had been dealing with Botler and the two founders of that company. They are the ones who came to PSPC to complain about the processes of their contract, but there was no contract. Is that correct?

Mr. Kristian Firth: That's correct.

Mr. Charles Sousa: They expressed concerns that there was privileged information or.... I don't understand. Explain to me what Botler's issue is with regard to your engagement.

Mr. Kristian Firth: That's actually a good question.

We're still unclear on what the misconduct allegations are towards our company. My understanding is that it's been referred to the RCMP. We have not been contacted, so unfortunately I cannot give comment on what those allegations are. We're just not aware of what they are.

Mr. Charles Sousa: You didn't have a contract, and Botler didn't have a contract, but you were trying to promote Botler in accessing opportunities with government situations. Is that correct?

Mr. Kristian Firth: Yes. We actually even at one time were starting to try to get them their own vehicle, so the government could miss the middleman out and go direct to Botler.

Mr. Charles Sousa: How many people did Botler employ, at that point?

Mr. Kristian Firth: They were a two-person company out of a penthouse.

Mr. Charles Sousa: They were trying to gain contracts with government through your support, through your relationships, through your experience. Is that how it worked?

Mr. Kristian Firth: Yes. We were offering free business development in sales and leads to help them get contracts within the federal government.

The Chair: That's our time, Mr. Sousa.

Mrs. Vignola, go ahead, please, for six minutes.

[Translation]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you very much, Mr. Chair.

Mr. Firth, thank you for being with us today. I know how difficult it can be. I'm going to start with some fairly simple questions that refer to testimony you've given in the past. When you first appeared in October 2022, you said that the government had approached you "to staff a team under their management and direction for a time, a material engagement", which you agreed to. Then you said, "We are, however, very proud of the team we gave the Government of Canada, whom they managed and gave direction to throughout the project."

If I understand correctly, your role was only to recruit. You did not do any project management, supervision or monitoring of the work done by the people you recruited. Do I understand correctly? [English]

Mr. Kristian Firth: That's correct. We had no hand in operational budget management either.

[Translation]

Mrs. Julie Vignola: Okay, thank you.

Basically, you were acting as a payment intermediary between the government and the human resources, while taking between 15% and 30% of the total amount.

[English]

Mr. Kristian Firth: Yes. That is correct. Actually, it's in the evidence package that I've given forth to you.

Over the whole duration of GC Strategies' history with all federal contracts, approximately 21% is our gross margin for all 65 contracts we've had with the federal government.

• (1125)

[Translation]

Mrs. Julie Vignola: Okay.

In October 2022, in response to a question similar to the one Mr. Sousa asked you earlier about whether you had been contacted by elected officials or public servants, you said that it was public servants. You said that was the case for the harassment application project and for the ArriveCAN project. Was that also the case for the COVID Alert app?

[English]

Mr. Kristian Firth: For COVID Alert, somebody from Canadian Digital Service reached out to me, understanding the work we had been doing previously on ArriveCAN. That was how the communication started. They were understanding what capacity we had for teams, what our teams were actually doing at ArriveCAN and the types of categories and skill sets they had. That was primarily for COVID Alert.

Could you please repeat the other two?

[Translation]

Mrs. Julie Vignola: The other two I mentioned were to introduce COVID Alert.

You were also contacted directly by public servants for the Botler AI harassment app and for the ArriveCAN app. Is that correct?

[English]

Mr. Kristian Firth: Yes, for the ArriveCAN app, that was PSPC. It was a government official who reached out to us. For

Botler, nobody actually reached out to us. There was this understanding that there were harassment charges that were heavily publicized in the public safety portfolio. That was when I reached out to Botler, understanding that there were several clients that could be in need of their services.

[Translation]

Mrs. Julie Vignola: What happened with Botler AI is that you were included in a contract that had already been awarded to Dalian and Coradix. Have I understood correctly?

[English]

Mr. Kristian Firth: That's correct. We were advised by CBSA to work with Dalian and Coradix.

[Translation]

Mrs. Julie Vignola: The contract was reserved for indigenous businesses. At that time, did you feel that Dalian was being used to boost the statistics on contracts awarded to indigenous businesses? The last I heard, you are not indigenous, and neither is Botler AI.

[English]

Mr. Kristian Firth: I'm sorry. I'm not the expert to answer that question. I'm not familiar with the indigenous procurement process. I couldn't give a comment on that. I'm sorry.

[Translation]

Mrs. Julie Vignola: Thank you.

I want to go back to the COVID Alert app.

You said that an official from the Canadian Digital Service had contacted you. Did officials from the Public Health Agency of Canada contact you as well?

[English]

Mr. Kristian Firth: During the inception of the COVID Alert contract, it was just purely Canadian Digital Service's resources.

[Translation]

Mrs. Julie Vignola: Okay. Thank you very much.

We've seen confirmation of bank transfers from Dalian to GC Strategies. I won't mention amounts, which likely suits you. I saw that there was a transfer to "Hoodspith CBSA". I tried to find the company, but to no avail. I also searched for it as a last name. Can you shed some light on what "Hoodspith CBSA" is? In French, it would be "Capuche ASFC", which makes no sense.

[English]

The Chair: Give a brief answer, Mr. Firth.

Mr. Kristian Firth: Hoodspith is a person. It's not a company. It's an individual.

The Chair: Thank you very much.

Mr. Bachrach is next, please, for six minutes.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you very much, Mr. Chair.

Mr. Firth, I think I'll start with some of your previous testimony before this committee.

In your previous appearance, when you were asked about the ArriveCAN situation and what it reveals about the government's contracting process, you said, "I don't think it reveals any[thing]. The reality is that it would have been a perfect execution if the four deliverables had been done on time and been of the standard the CB-SA would have approved and paid. This was not a contracting issue."

Since then, we have the Auditor General's scathing report. We have, from the Office of the Procurement Ombud, another scathing report looking at the contracting and procurement process. Do you still stand by that view that this was not a contracting issue, given all of the irregularities that have been very well documented?

(1130)

Mr. Kristian Firth: Well, can you qualify exactly the previous testimony? That doesn't seem like something that resonated with what I would have said. I don't think I blamed the contracting for the ArriveCAN. I explained the contracting, saying that there were three sole-sourced national security exemptions.

Mr. Taylor Bachrach: Okay. Well, you said this was not a contracting issue.

Mr. Kristian Firth: I'm not sure of the context. That seems like it's out of context. If you could kindly give me the information prior to that....

Mr. Taylor Bachrach: I think the question was about what the ArriveCAN situation reveals about the government's contracting process. That's what you were asked about, and you said that you didn't think that it revealed anything, that you felt like the problem "was not a contracting issue". It "was a performance issue".

Mr. Kristian Firth: PSPC did follow all procurement processes in issuing those contracts for COVID pandemic response, one of which was the ArriveCAN app.

Mr. Taylor Bachrach: Okay. Despite all of the findings that have been brought forth by the ombudsperson and the Auditor General, you still feel like this is a performance issue and not a contracting issue, but I'll move on.

I think, Mr. Firth, that you've portrayed the services that your company provides as being IT recruitment, essentially assembling teams of IT professionals for the government, yet there's evidence that actually what was happening was the opposite—that the government was finding IT professionals who could provide services and then directing them to work with you. Is that what has happened in the past, specifically with Mr. MacDonald and other firms?

Mr. Kristian Firth: Well, I think you're referring to one specific component where the firm approached CBSA and shortly thereafter those names appeared on one of our contracts.

That was part of the government's.... They have a process. They have a problem, and they have to find a solution, so they either

have to go through an RFP, which sometimes takes three to six months, or they look to use an existing vehicle.

I can assume that maybe the opportunity was time-sensitive and that by using procurement processes three to six months would have taken too long, so they were asked to come to me or any other existing contract to try to get the work done sooner.

Mr. Taylor Bachrach: I guess the hard thing for me to understand is how the public got value out of this, because, essentially, the government identified a contractor that could do the work for them, but instead of simply setting up a contract with that company, they suggested that it would work through your firm, which would take a commission. The actual contract ended up costing the Canadian taxpayer more than it would have if the government had dealt with the company individually. Is that a fair characterization?

Mr. Kristian Firth: That's a fair characterization. In the end, until the processes, which have been in place since 2003, change such that the government can be a little more nimble and execute on directed contracts more quickly, that's going to continue to happen. It's very commonplace, and it frequently occurs that if a solution is needed quickly, the point of least resistance is to use an existing contract versus doing a new RFP.

Mr. Taylor Bachrach: There was a situation in which you had this existing contract that was somewhat nebulous, and it could act as a container for a wide variety of services that the government went out and identified and then funnelled through your existing contracting framework. Then you took a commission off the top of that, and—

Mr. Kristian Firth: That would not be the case for my contracts. My contracts were very specific to the pandemic response, so a generalized bucket could not have been used. Those were the large contracts you hear about, which are called omnibuses, which have 30 or 40 different categories in place. Those ones would be the catch-alls for the majority of the projects that go on within a department.

Ours are very, very specific. We always have to make sure the requirement being brought up is in alignment with the original statement of work that came with those contracts. If it falls outside of those parameters.... I think Mr. MacDonald kind of gave testimony about this. Managers who didn't often get funding or funding for projects would put an ArriveCAN twist on them, or they'd put a pandemic twist on what they were doing.

This is why, again, the Auditor General's report is inaccurate, because, as she attested to in her report, you can't get a true cost for ArriveCAN because there could be other projects or other resources associated with that cost. Does that make sense?

• (1135)

Mr. Taylor Bachrach: Isn't that a problem, though? If the government auditor can't trace the money to establish whether the Canadian taxpayer got value for that money, and there's no transparency on which projects are actually being paid for under different contracts, isn't that a problem? It seems as though that's one of the core problems the Auditor General has highlighted in her report.

Mr. Kristian Firth: Yes, that is a problem.

Mr. Taylor Bachrach: Okay.

How many projects have you worked on directly with Mr. Mac-Donald over the years?

Mr. Kristian Firth: I have had three contracts with Mr. Mac-Donald, COVID pandemic response contracts.

Mr. Taylor Bachrach: How long have you known him? I think this was the subject of previous testimony, but it's just to refresh our memory.

Mr. Kristian Firth: I think around 2010 was when we first met.

Mr. Taylor Bachrach: You've had three contracts since that time.

Mr. Kristian Firth: Yes.

Mr. Taylor Bachrach: How many times have Coradix and Dalian been subcontractors on your contracts or have you subcontracted to them?

Mr. Kristian Firth: They have never subcontracted through my contracts, and I think through Dalian and Coradix it would be a handful of times. I don't have the exact number.

Mr. Taylor Bachrach: Would you say fewer than 10 but more than five?

Mr. Kristian Firth: I'd say fewer than 10 and more than five,

The Chair: Thank you, Mr. Bachrach.

We now have Mrs. Block for five minutes.

Go ahead, please.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Mr. Chair.

I'm going to circle back to some of the questions that my colleague was asking with regard to who from the government would have contacted you for these contracts. I know you provided us with a name for a contract. You stated that Angela Durigan from PSPC signed off on an email. I think that was in regard to the first contract you received, but, in fact, you received four contracts for ArriveCAN, three of which were non-competitive and one of which was supposed to be competitive.

I'm going to ask if you could provide us with the names of the contacts on those contracts.

Mr. Kristian Firth: Again, they were never ArriveCAN contracts. They were all pandemic response contracts. There was not just one contract for ArriveCAN. It was in two of them. They were pandemic response ones as opposed to four ArriveCAN contracts.

Mrs. Kelly Block: Okay. I understand that the national security exemption was put in place during the pandemic, so can you provide us with the names of the contacts from the government when you were awarded the four contracts?

Mr. Kristian Firth: Angela Durigan was the contact for three of them. I don't have the lady's first or full name for the fourth one, but I'm more than happy to share that with you after this.

Mrs. Kelly Block: I would appreciate that, because this information was requested from you last October. You promised to undertake to provide those names for us and you didn't, so I'm a bit leery about that.

Mr. Kristian Firth: I'm sorry, no, I did provide those names. As part of our evidence package, I gave all three emails with the contract awards, and all three of them showed Angela Durigan.

The reason the fourth one wasn't provided was that I was asked only for the COVID contracts, not for the fourth one, but that information was provided.

Mrs. Kelly Block: Okay. We're going to make a distinction with regard to your contracts as to whether they were for the pandemic, COVID or ArriveCAN. I got that. You will provide—

Mr. Kristian Firth: There was a national security exemption.

Mrs. Kelly Block: Yes. A national security exemption. Absolutely.

You have agreed to provide us with the name of the other individual whom you were in contact with.

Mr. Kristian Firth: Yes, I will.

Mrs. Kelly Block: Thank you very much.

On the Auditor General, I understand you've testified here today that in her report, she didn't provide accurate information. However, she found that GC Strategies was involved in the development of a contract from the Government of Canada to your firm, valued at \$25 million, which you received in May 2022.

Whom did you communicate with from the Government of Canada while you were helping to create those criteria?

● (1140)

Mr. Kristian Firth: First of all, the committee has subpoenaed me here to speak about things that I can talk about.

Also, my understanding is that these allegations have been moved to the RCMP. In fear of interfering with the RCMP investigation, I don't think I can comment on that right now.

Mrs. Kelly Block: It's my understanding, from testimony just a few minutes ago, that you haven't been contacted by the RCMP. You're not under investigation right now, but you know what the RCMP is investigating.

Mr. Kristian Firth: I have the same information as everybody else. I have what I'm watching in testimony and seeing what committee members are putting on Twitter.

I'm assuming that.... All of PSPC's testimony said that all the findings from the Auditor General's report were sent through there. Again, with that being a broad stroke and not actually getting disclosure, like we asked for prior to being here—understanding what those documents and that information were—I cannot comment right now on that information.

Mrs. Kelly Block: You're not going to let us know who it was you were meeting with as you were constructing a contract that you knew you would end up getting.

Mr. Kristian Firth: Those are your words, not mine.

I'm just saying, right now, as a result of this being pushed to the RCMP and with all efforts of the committee behind it, unfortunately I cannot comment on an ongoing RCMP investigation.

Mrs. Kelly Block: I guess what I would ask is whether this is commonplace. We'll get away from the actual contract in question. Is it commonplace for IT firms and consulting firms to sit at the table and help determine the criteria for a contract they are going to be bidding on?

Mr. Kristian Firth: I'm not sure if I can comment on that. I can't comment on what everybody.... I don't do that, personally. I can't comment on what every one of the other 635 firms does.

Mr. Michael Barrett: On a point of order, Chair, the witness is refusing to answer questions under the auspices of a hypothetical, according to him. He is required to answer the questions put to him by this committee, unless I'm mistaken.

If I am mistaken, I'll ask for you to correct my understanding, but the witness is required to provide this information, and his lawyer will be able to tell him that it wouldn't prejudice a police investigation.

The Chair: It's a fair point. We do require witnesses to answer questions.

Actually, looking at the section "Swearing-in of Witnesses", it says, "refusal to answer questions or failure to reply truthfully may give rise to a charge of contempt of the House".

We will get to the next intervention, which is Mrs. Atwin's, and then we will have a chance with Mr. Deltell, but we will have a break after the next round. Perhaps Mr. Firth can confer with his lawyer and we can get back to this issue.

Mrs. Atwin, go ahead, please.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Firth, for being here.

I'm going to bounce all over the place, so forgive me. To start, there was a question around Coredal. I just need a bit of clarification. In relation to Coredal, you stated that you bought the company in 2015. Who did you buy it from?

Mr. Kristian Firth: Chris Jurewicz, I think, was the gentleman who owned the company.

Mrs. Jenica Atwin: Okay. According to my notes, Mr. Anthony, you and Mr. White were all listed on the corporate info website. Was this company not registered prior to 2015?

Mr. Kristian Firth: It was operating and doing other government contracts. Mr. Anthony, our other business partner and I, when we were a three-person team, were the ones who purchased it in 2015. Subsequently, after that, we applied to the CRA and PSPC to do an official name change, so that we could put our own brand to it.

Mrs. Jenica Atwin: Okay. You also mentioned that you'd been working within contracts with the federal government since 2007. Would that be under your name as an individual, or another company's name, or...? If we were to search that information, what would we be searching?

Mr. Kristian Firth: I used to work for a company called Veritaaq, which has been purchased by Experis Manpower. I was solely with those guys from 2007 until 2015.

• (1145)

Mrs. Jenica Atwin: Was it all IT-related work with the government?

Mr. Kristian Firth: It was exactly what we do right now, yes.

Mrs. Jenica Atwin: Okay. I want to address what you said in your opening comments. You mentioned some of the ways this is impacting you personally, along with your family and your children. Certainly, that should never happen. I apologize for what's happening as far as your personal life is concerned. I'm not surprised, sadly, because of the rhetoric that's been used around this issue. We hear a lot of it in the House as well. Even for us as Liberal members on this committee, a lot of it is actually directed at us as well.

I'd really like to clear up some of the things we're hearing—for instance, that Liberal insiders got rich. I'd like to ask you this: Do you have any personal connections to the Prime Minister, to cabinet ministers or to any of the Liberal members of this committee?

Mr. Kristian Firth: No, I do not.

Mrs. Jenica Atwin: The other big thing in the way it's characterized is that GC Strategies was a two-man operation in a basement that basically had, according to the Auditor General, \$19 million. Essentially, it seems it's being portrayed as though cash was dumped on your lap in this-and-this amount of money. Really, that money flows through your contractors, your subcontractors. You mentioned the amount that you would have received personally.

I do have a question about the commission piece. It's cited often as a 15% to 30% commission. Can you account for this fluctuation? Is that a common thing?

Mr. Kristian Firth: Yes. It all depends. I'll dumb it down and make it as boring as possible.

How it typically works is that you get an agreed rate to the client. Let's say it's \$1,500 a day for your services. It's then on you, once that contract's been awarded, to try to find that resource. At that point, you negotiate their rate. If their rate is \$1,000, you've now made 25%. If their rate is \$1,200, you've now made x%. It all depends on what the negotiations are between what the rate is to the Crown and what the person you've found is charging. That delta in between is the margin.

Mrs. Jenica Atwin: Great. That's very helpful.

You've addressed the Auditor General's report a bit. It's good to know that you were approached for comments around some of the numbers she was sharing. Were you approached by the procurement ombud prior to his writing his report?

Mr. Kristian Firth: No, I was not.

Mrs. Jenica Atwin: Do you feel that your input with the Auditor General was reflected?

Mr. Kristian Firth: No. We commented on two parts. They were not included, nor really were our thoughts considered. One of the biggest ones was the \$19.1 million. You'd understand what the uproar was going to be and how it was going to be used against you when CBSA officials had been stating that the number was closer to \$12 million.

There are lots of reasons there could be discrepancies. I mean, we understand that the financial systems and the codes aren't the best at CBSA. Furthermore, the approximation and the valuation provided in the AG report was billing up until May 2023, whereas we previously gave numbers from the application build, which finished in July 2022. There's another year's worth of billing there, which may not have even been ArriveCAN. Again, no one knows if it's ArriveCAN or not because of how things were tagged internally.

Mrs. Jenica Atwin: Okay. To the extent that you're aware, can you describe how the government may have tracked your performance on ArriveCAN contracts?

Mr. Kristian Firth: There are quarterly reviews, quarterly reports, that we have to send in to PSPC that show burn rates. That essentially means how much of the resource is burning. Let's say a task authorization starts at \$200,000. Each month you have to say how much of that resource is used up against that. It's not really performance; as I said, performance is done by an employee. We track the finances typically with PSPC to understand whether a task authorization is running out. Is a contract running out? Is it time to do renewals?

That's the extent of how we're monitored by the government organization. Everything else, such as project management and the budget, gets taken care of by them.

The Chair: Thank you very much. That is your time, I'm afraid.

Mrs. Vignola, go ahead for two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

Mr. Firth, earlier when we talked about the COVID Alert app, you mentioned that you had been contacted by a Canadian Digital

Service official who had heard about you. Did that official tell you who had given them your name?

[English]

Mr. Kristian Firth: No, he did not. It was more a case of, "We understand the work you're doing on ArriveCAN." That's kind of how the introduction started.

[Translation]

Mrs. Julie Vignola: All right.

Basically, the Public Health Agency of Canada, or PHAC, was the one overseeing the COVID Alert app. Someone you knew well and with whom you had worked on COVID Alert had previously moved to PHAC after winning a competition for a new position there. That's why I asked you about the referral. Thank you.

You said that the errors the Auditor General flagged may be due to the codes used by the Canada Border Services Agency, or CB-SA, since the codes aren't always clear. Do you think a major cleanup of the CBSA's procurement practices is needed, to provide clarity around the codes and ensure that transparent government really is transparent? Do you think the information would then be a lot clearer to the public and to us, the politicians?

(1150)

[English]

Mr. Kristian Firth: Yes. I agree that they need to do that.

[Translation]

Mrs. Julie Vignola: You don't have any comments on that, even though you, yourself, said that the unclear coding had a number of extremely negative consequences for you.

[English]

Mr. Kristian Firth: I don't have access to the codes. All I have access to are the reporting and the numbers, which are completely contradictory to what I have.

Again, I have the luxury of speaking to every one of the hundred consultants we put through during the pandemic to get a true understanding of their level of effort for what they were working on and what they were doing. If you were coming in as an auditor general, you would not have access to the detail that I currently have, but you'd have access to calculating task authorizations. The truth there as well is that not all task authorizations are fully utilized. You may see one for \$200,000, but only \$120,000 was actually used on that task authorization. This is, again, where these inflated numbers can come from, because there's just not the financial system in place that can do real-time health checks.

The Chair: Thank you very much.

Mr. Bachrach, go ahead, please, sir.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

In 2019, preCOVID, I believe in reference to a chatbot product that Botler had developed, there was some communication between you and Mr. MacDonald.

I'll go back to your previous comments from the last round, when you said that the reason the government might direct contractors to work through your standing contract with the government is that it's faster and more efficient than going through a procurement process, which could take several months. Is that a fair characterization?

I see you sort of nodding. Is that fair, Mr. Firth?

Mr. Kristian Firth: Yes—not just mine but any existing contract.

Mr. Taylor Bachrach: Right. Here's what you say Mr. MacDonald communicated to you on November 18, 2019: "Look, Kristian, I can't solicit this as a government department, and I'll, you know, I think there's an opportunity for you", meaning GC Strategies, "to partner with these guys", meaning Botler, "and knowing what you can do here in town, I think you can turn this into an enterprise product.

What did Mr. MacDonald mean by "I can't solicit this as a government department"? It sounds like it doesn't have to do with efficiency. It sounds like it has to do with working around some kind of rules that are in place to prevent him from going out there and hand-picking contractors.

Mr. Kristian Firth: The truth is that I can't comment on what Mr. MacDonald was writing or why he was writing those things. I'm sorry. At that point, I was not writing on behalf of Mr. MacDonald, so I can't attest to what he meant by that.

Mr. Taylor Bachrach: I guess what it looks like to someone on the outside is that Mr. MacDonald was doing your bidding and trying to set you up to turn this into an enterprise product. I assume it was because you would have been able to charge a substantial commission if the product that Botler developed had become an enterprise product.

Do you agree that this is a wholly inappropriate role for someone high up in the CBSA to be playing?

Mr. Kristian Firth: Again, I can't speculate on what the intentions were with that email. Everybody can interpret it how they want to. I just can't speculate on and I don't really know the intent behind that email.

Mr. Taylor Bachrach: I find that difficult to believe, Mr. Firth.

• (1155)

Mr. Kristian Firth: It's the truth. I was not in Mr. MacDonald's brain when he was writing that. I can't make assumptions on what the intentions were for that email.

The Chair: That is our time.

Mr. Taylor Bachrach: I'll leave it at that.

Thank you, Mr. Chair.

The Chair: Thanks, Mr. Bachrach.

Mr. Deltell, please go ahead for five minutes.

[Translation]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

We are here today to get to the bottom of what is probably the biggest financial scandal in Canadian government history. A contract for work that was supposed to cost just \$80,000 led to a spending spree of nearly \$60 million—750 times over-budget. That is unacceptable. Canadians need answers for this shameful financial fiasco that they are on the hook for and will be for a long time to come.

As we all know, the GC Strategies representative had to be threatened with arrest in order to come before the committee today. A person refuses to appear when they don't have a clear conscience. Sorry, but the representative has to appear before the committee. In fact, this is not Mr. Firth's first time before the committee. He has been here twice before.

First of all, Mr. Firth, did you lie during your previous appearances before the committee? Yes or no?

[English

Mr. Kristian Firth: I'm sorry. Can you repeat the question, please? I had some feedback on my microphone.

[Translation]

Mr. Gérard Deltell: Did you lie during your previous appearances before the committee, yes or no?

[English]

Mr. Kristian Firth: I made a mistake with a cottage and a chalet the last time I was here.

[Translation]

Mr. Gérard Deltell: I see.

[English]

Mr. Kristian Firth: Again, it's not a lie. The actual irony is that it was referred to as a cabin.

[Translation]

Mr. Gérard Deltell: What about the hospitality provided and the whiskey tasting? Was that information correct?

[English]

Mr. Kristian Firth: Yes. There's been previous testimony about when there was a whisky tasting. I think it was mentioned that it was put out to government officials and it was put out to contractors. Those government officials have since said they got permission from their superiors and paid their way.

[Translation]

Mr. Gérard Deltell: Let's turn to the contract as awarded and executed.

When did you realize that \$80,000 wasn't enough and that the price tag was really going up? When it hit one million, two million or three million dollars? When did you realize that spending was spiralling and the project was over-budget?

[English]

Mr. Kristian Firth: Again, that's not my determination. The first contract award was for \$2.35 million. That one was the first COVID contract.

Subsequently, there were amendments that were made. You have to bear in mind, and I think testimony mentioned, that national security exemptions really last for only three months, so there had to be a decision made by the government to either put a larger number and keep doing amendments or keep going back and retendering and redoing it. It isn't a fast process—we know that—to retender and restructure a contract every three months.

My understanding was that it jumped. The one contract we're talking about went from \$2.35 million to \$13.9 million, but my understanding was that every time there was an amendment, it was published on Buyandsell, which 635 other companies could challenge. It was also put in front of the House, and MPs voted in the House, every single time there was an amendment.

It wasn't like only I knew. Everybody knew the prices were rising.

[Translation]

Mr. Gérard Deltell: Who was monitoring the quality of your work? The cost can't go from \$80,000 to \$60 million like that without someone sounding the alarm.

[English]

Mr. Kristian Firth: We had four or five government officials who were monitoring the quality of our work. There were other prices associated with just ArriveCAN and the application build that we're not privy to. We were not part of the \$19.1 million, or the \$11 million to \$60 million. We were from the \$0 to the \$11 million, or \$19.1 million, depending on which article you want to read. [*Translation*]

Mr. Gérard Deltell: Understandably, measures had to be taken and everyone had to contribute actively in response to COVID-19. There is a difference, though, between working very actively and billing 750 times more than originally budgeted. Canadians want answers on that.

When did you realize that the project was astronomically overbudget with little to show for it?

[English]

Mr. Kristian Firth: First of all, we submitted over 1,500 invoices monthly. Again, I want to get the illusion everybody's thinking right now.... We were never given a cheque for \$20 million on day one. We submitted 1,500 approved invoices per month for the last three years to get to whichever amount you want to listen to: \$19.1 million or \$11 million.

We were not responsible for any alarm bells. We hit 171 releases of the application on time. Every time the Public Health Agency changed the policy, we would have to amend the application. That, there, in itself—the fact that we were hitting all of our targets—meant that we were doing a good job. We also don't control what the budget is. That's out of our realm.

(1200)

[Translation]

Mr. Gérard Deltell: You were-

[English]

The Chair: I'm afraid that is past our time.

Mr. Jowhari, go ahead, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Mr. Firth, I would like to focus on three areas, and I have only five minutes.

Number one is that in your testimony you referred to three companies. One is Veritaaq, of which you were an employee between 2007 and 2015. I also understand that there was a company named Coredal, which had three partners. Then, in 2015, two of you bought this company, which then applied for a name change through the CRA, etc., and became GC Strategies.

Are you telling me, or is my understanding correct, that you were an employee at Veritaaq and that you also had a company where you were part of a three-man show during that period?

Mr. Kristian Firth: No.

From 2007 to March 2015, I was an employee of Veritaaq. I was there for eight years. I and my two business partners approached a company called Coredal, which had previously been working independently from us. When we purchased it in April, we subsequently did the name change and everything else to rebrand.

Mr. Majid Jowhari: In your due diligence in buying that company, did you look into any type of connection that it had with the government or any contracts that it had in the past and projected contracts that it had in the future?

Mr. Kristian Firth: We went back five years, and we saw the contracts it previously had at PSPC. Then, I think, when we purchased it, it had only one contract outstanding, with Natural Resources Canada.

Mr. Majid Jowhari: Are you in a position to tell us how much you bought it for, and how much of that was goodwill?

Mr. Kristian Firth: I don't think I can disclose that right now.

Mr. Majid Jowhari: Okay. We'll leave that for now.

Let's go back to your opening remarks. The second area is that you have consistently said "the application build", with emphasis on the build. We know that the Auditor General has said that this total application build and support and all of those things can be estimated at around \$60 million. We don't know if that number is right or not. You are telling us that your part of the ArriveCAN build was \$11 million. Can you clarify the difference when you specifically use the word ArriveCAN "build" with respect to GC Strategies and the big picture of what has potentially mushroomed into about \$60 million?

Mr. Kristian Firth: Again, we were only servicing the build. When you look at call centres, I think you'll see that Service Canada had \$7 million or \$8 million for a call centre. There were cloud services with AWS and Microsoft. There were other components like cybersecurity. There was data management. I think there was a component for character recognition. There were things that we weren't involved in. We had a core team that was responsible for developing the app on the web and joint iOS—with no back-end components.

Mr. Majid Jowhari: You're in possession of those invoices. You haven't been asked to provide those invoices. It's good that you've gone through them and that you have an understanding of them. You are claiming that it was roughly...you're saying that you have shown a net income of \$2.5 million of that \$11 million. Am I right?

Mr. Kristian Firth: It's approximately \$2.5 million, yes.

Mr. Majid Jowhari: Okay. With about a minute and 10 seconds, I'd like to go to back to another comment you made, which was about the third area.

You talked about the rate to the Crown. How is that rate to the Crown determined? Is it determined by you, or is it determined by the Crown?

(1205)

Mr. Kristian Firth: It's a combination. When you submit the RFP, if there are multiple options, there will be what they call a median band. They will take all of the bids and understand what the median price is between \$1,500 to \$1,200. Around \$1,350 is what they'll say is the fair price for the Crown. That's what they've determined it to be.

Mr. Majid Jowhari: The Crown determines the Crown rate based on a methodology. Is that correct?

Mr. Kristian Firth: Yes, that's correct.

Mr. Majid Jowhari: When you go and bid, you bid on that Crown rate. It's not that you set the Crown rate or any of the 636 sets the Crown rate. Is that correct?

Mr. Kristian Firth: It's the off-market rate. What that means is we're always.... This is essentially why, I guess, this process was put in place in 2003 for the private sector. To be competitive and keep the prices down for the Crown, you need to have 636 people bidding on something every time.

Mr. Majid Jowhari: Fair enough.

The rate is set up by the Crown based on a market rate. You will basically go back and try to negotiate with resources, and whatever margin is left is yours.

It's not that you are increasing the Crown rate, which is the established rate. Is that correct?

Mr. Kristian Firth: Yes. Once the rate is determined by the Crown, it's up to us to negotiate the resource—

Mr. Majid Jowhari: Okay. We'll come back to you again on that, because I'm out of time.

The Chair: Thank you very much, Mr. Jowhari.

It's 12:06. We will suspend for 10 minutes and start round three at 12:16 on the dot.

We are suspended.

• (1205) (Pause)____

(1215)

The Chair: Thanks, colleagues. We are back.

We have Mr. Genuis for five minutes, please.

Go ahead, sir.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Chair.

Mr. Firth, this is a sad example of corruption and potential criminality, but it also exposes incredible waste within this government, especially in the area of procurement and contracts to well-connected consultants for, in many cases, no discernible work. I want to try, in my round of questions, to follow the money that was spent.

The Auditor General's report estimates that \$59.5 million was spent on the app, and further, that your company received directly \$19.1 million of that money, even though, by your own admission, all you did was recruit other individuals and companies. That's an incredible sum for "recruitment".

However, you told the committee that the Auditor General's information is not correct. You dispute the \$19.1-million figure. You say it was only \$11 million. Is that correct?

Mr. Kristian Firth: For the application build, that's correct.

Mr. Garnett Genuis: What happened to the missing \$8.1 million? What do you think accounts for the discrepancy?

Mr. Kristian Firth: You'll see in my evidence package that we've actually invoiced CBSA, in three years, close to \$22 million, approximately. I'm not disputing the fact that \$19 million was invoiced through my company monthly; I'm disputing that the \$19.1 million is completely attributed to the ArriveCAN application build.

Mr. Garnett Genuis: Your testimony, then, is that you received \$22 million from CBSA over the same period. You are simply disputing the categorization of it as being all related to Arrive-CAN.

What I would add to this in terms of, frankly, the absurdity, is that the invoices you've submitted to this committee, some of which are very vague and unclear in terms of what they actually refer to, add up to \$9.6 million. You've shown this committee invoices for \$9.6 million. You've also said that you got \$11 million that you categorize as related to ArriveCAN, and \$22 million in total.

How do you explain the discrepancy between what you've shown us invoices for and what you've said you actually received?

Mr. Kristian Firth: First of all, the \$22 million is not solely ArriveCAN. There were more projects we were working on during the pandemic. These were not ArriveCAN contracts. There were three pandemic—

Mr. Garnett Genuis: Yes, the Auditor General says they are, but I was asking specifically about the difference between the \$9.6 million and the \$11 million. You said you got \$11 million, but you didn't provide us with 11 million dollars' worth of invoices.

• (1220)

Mr. Kristian Firth: We sent hundreds of pages of documents over. I can follow up and make sure that those ones result to \$11 million. I've done this, again, about three times—

Mr. Garnett Genuis: Hundreds of pages won't absolve you of the need to provide accurate information, sir.

Just in terms of the difference between the \$19.1 million and the \$11 million, you started off your testimony by saying that everybody is lying and saying mean things about you, that the media is wrong and the MPs are wrong, but you're also now saying that the Auditor General is wrong. What are we as a committee to make of the fact that you want us to believe that everybody is wrong in their figures except you, yet the invoices you sent to the committee don't add up to the figure you said was spent or was given to you in relation to ArriveCAN?

Mr. Kristian Firth: I also said as well in my opening statement, in my testimony to this committee, that I've had death threats against me and my wife. We've had photographs of our kids taken—

Mr. Garnett Genuis: Sir, I'm looking for accurate information on the amount of taxpayer money that went to your company.

Mr. Kristian Firth: We've invoiced 1,500 times, for \$22 million.

Mr. Garnett Genuis: Well, the invoices do not line up with the figures you've given—

Mr. Kristian Firth: [Inaudible—Editor] talking about the CB-SA.

Mr. Garnett Genuis: Sir, I'd like to know this: For all the money you earned on this project, what was the total amount that you and your partner took home, after expenses?

Mr. Kristian Firth: I don't have the exact numbers after taxes, after expenses, through dividends, but as I've told you, it was approximately \$2.5 million to provide—

Mr. Garnett Genuis: Is that each?

Mr. Kristian Firth: No, no—that's in total. That's the...20%.

Mr. Garnett Genuis: You and your partner became millionaires through this project, and you want us to believe that all the rest of it, in addition to the \$2.8 million, was expenses, even though all you did is recruit.

I mean, how expensive is a LinkedIn account these days?

Mr. Kristian Firth: Well, \$2.5 million over two years is \$1.25 million. Divided by two people, that's—

Mr. Garnett Genuis: How many hours did you spend working on sending the LinkedIn invitation, sir?

Mr. Kristian Firth: That has no bearing on this project, does it?

Mr. Garnett Genuis: I think it does. How much you earn for what work is the question we're asking, and the numbers don't line up, and—

The Chair: I'd ask for a quick question and a quick answer, please.

Mr. Garnett Genuis: How many hours did you spend working on this project in exchange for the millions of dollars that you and your partner got for the act of recruiting?

Mr. Kristian Firth: It would have been between 30 to 40 hours every month, with the invoicing, with doing time sheets, with doing accounting, with paying our resources—

Mr. Garnett Genuis: What makes you so lucky that you got this opportunity?

The Chair: That is our time, Mr. Genuis. Thanks very much.

Mr. Bains, please go ahead.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair, and thank you, Mr. Firth, for joining us today.

I'd like to get to the bottom of the process. I think Canadians are still trying to understand how this process works and how contracts get awarded.

Elected officials come and go. You've been working with government, through the bureaucracy, with public service officials since 2007. Can you maybe take us back to your first time working with the government and what the processes were then? Did they change over time? How did you and your colleagues, your partners, navigate through any changes—if there have been changes—through those processes?

Did you build relationships over that time? Did our bureaucracy and our.... Ultimately, we have public service officials who work for decades in different departments, hundreds of departments. Did they get comfortable seeing you? Did they overlook certain processes?

We're trying to get to the bottom of how contracts are being given out. In this case, you've received hundreds of contracts since 2007 in your time working with government. Maybe walk us through your time during 2007 and try to answer some of those questions along the way.

• (1225)

Mr. Kristian Firth: Okay. Thank you.

Fundamentally, the government has a problem. They identify the need to change the technology, and they need a team of people to come in or there's just something they need to get done. At that point, they determine that they need to put an RFP in place. They'll work together in putting requirements together. They'll put everything they need in a statement of work and so forth. At that point, it goes onto a public tender, onto Buyandsell, and companies are invited.

At that point, you then decide whether you're going to bid on the opportunity or not. If you are, you then look at the requirements. You then go find the people. You then make sure they are security cleared and are actually going to be the ones doing the work, should you win the contract.

If you are successful, at that point there are task authorizations that go against that contract, which are for individual pieces of work that go against that contract. A task authorization typically has a small statement of work. It will have its tasks. It will have its deliverables and the number and types of resources that it wants. At that point, you would then respond to the task authorizations. Bear in mind that it is one business at that point, because you already have the contract. You would then submit the task authorizations, which go through due process. That would be evaluated by the department, and that's how you typically would get one or a number of resources in to do the work.

Mr. Parm Bains: For 2007, it was the exact same process.

Mr. Kristian Firth: It was the same process.

Mr. Parm Bains: It hasn't changed.Mr. Kristian Firth: It has not changed.

Mr. Parm Bains: Is there a failure of our officials to go through the correct processes? You, over time, ultimately became someone who mastered the process of how to get these contracts. Is it just that you know how to follow those guidelines? If you look at some of the issues that have arisen here, you're saying that this is the process, where recruitment is the norm and you're bringing on people to complete these tasks. This process hasn't changed since 2007. That's what we're—

Mr. Kristian Firth: That's correct.

Saying we're lucky to be.... What makes us so "lucky" is that we're determined to be a two-person company that's figured out how to do what 10 people do, or what 20 or 30 people do.

Everybody has the same tasks. If you are an owner or an employee of an IT staffing firm, you just have to follow the process that's been put out by PSPC. It's black and white.

Mr. Parm Bains: Fast-forward to your time.... How many people did you actually end up recruiting for the ArriveCAN job?

Mr. Kristian Firth: ArriveCAN would have been around 35 to 40 people in different capacities, but for the CBSA proper, for the whole three years we were working there, it was over 100.

Mr. Parm Bains: Each of the 35 people would have had to go through a verification process.

Mr. Kristian Firth: Yes. Please be clear that the government cannot go directly to these resources. It needs vendors like us to pass these people through.

Mr. Parm Bains: Why is that not part of the process?

The Chair: Give just a quick answer, please, because we're out of time.

Mr. Kristian Firth: You have to be a qualified vendor.

The Chair: Thanks, Mr. Bains.

We'll go to Mrs. Vignola, please, for two and a half minutes.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Firth, I'm going to make a few statements, and I'd like you to tell me whether they're true or not.

As I understand it, GC Strategies was never responsible for the financial coding. The contracting authority, so the CBSA, was responsible for the financial codes that the Auditor General needed to conduct her audit.

[English]

Mr. Kristian Firth: That's what the Auditor General's report says. I thought somebody in the financial department would have been in charge of that.

[Translation]

Mrs. Julie Vignola: All right. Thank you.

The only thing your company was responsible for was putting the contract numbers on your invoices. Is that correct?

[English

Mr. Kristian Firth: Typically, it's contract numbers and task authorization numbers. Confirmation is signed off by the government.

[Translation]

Mrs. Julie Vignola: All right.

The Auditor General noted that the CBSA didn't use the financial codes properly. Presumably, then, everything would have to be verified manually. That would mean comparing every invoice and every document. Do you think a manual verification process like that would reveal the correct data, whether it pertains to your company or someone else's?

• (1230)

[English]

Mr. Kristian Firth: I'm sorry. Can you repeat the question? I want to make sure I give you the right answer.

[Translation]

Mrs. Julie Vignola: If the Auditor General undertook a manual verification of the financial codes, would it result in a corrected version of the information she released a few weeks ago? I'm talking about correct information, whether it pertains to your company or others.

[English]

Mr. Kristian Firth: I would have to ask what the manual verification would entail and whether all the information they're verifying manually is actually all of the information.

[Translation]

Mrs. Julie Vignola: All right. Thank you.

Were you aware that the procurement process currently in use was put in place by former minister of public works and government services Rona Ambrose?

[English]

Mr. Kristian Firth: I'm sorry. I can't answer that question. I don't know the answer.

[Translation]

Mrs. Julie Vignola: All right.

I'll ask you an easier question. Do you think the procurement process is simple, responsive and resilient, or cumbersome and complicated? Does it need improving?

[English]

Mr. Kristian Firth: I find it straightforward, after having been in the industry for a long time. However, I think there needs to be a component whereby it's quicker for the government to go directly to the source.

The Chair: Thank you very much.

Mr. Bachrach, please go ahead, sir.

Mr. Taylor Bachrach: Thanks, Mr. Chair.

Looking at the relationship between you, Mr. Firth, and Mr. Mac-Donald, I think it's pretty clear from your testimony what's in it for you, which is that you've established yourself as the government's go-to guy. You have the ability to run these contracts through your company. Mr. MacDonald, therefore, funnels a bunch of work to you, and you're able to charge these commissions. That's been well established.

What I've had a harder time understanding is what's in it for Mr. MacDonald. I'm going to go back to some Globe and Mail reporting from January 16. This involves communications between you and the two Botler principals. You urged them "to single out Mr. MacDonald for praise when meeting with other senior government officials".

The quote here from you, Mr. Firth, is, "I just want to make sure that he gets taken care of, right?" This was told to Ms. Dutt and Mr. Morv.

I'm just wondering if you can clarify what his being "taken care of" would entail, and why it was so important that Mr. MacDonald got taken care of, in your view.

Mr. Kristian Firth: There was no financial benefit at all or any kind of transaction put forth. I just felt that the opportunity to have Mr. MacDonald working with Botler, understanding the importance of the harassment that was happening within the Public Safety portfolio.... I felt like there had to be some recognition, whether it was a pat on the back or a "job well done" for identifying the issues with Public Safety and being the pathfinder organization to move forward

Mr. Taylor Bachrach: The benefit for him from this relationship was that praise sent his way would help him advance in the organization. The benefit for you was that you would be able to charge these commissions and continue to get work. Is that a fair characterization of this reciprocity that you had going on?

Mr. Kristian Firth: No, not at all. Mr. Taylor Bachrach: Why not?

Mr. Kristian Firth: Well, it's because the intention.... I was not going to rub his back and he rubs my back: This was not, "I'm going to make you have advancements through your career so you can keep funding contracts." You have to bear in mind, after knowing Mr. MacDonald since 2010, that the first contract I was awarded while he was in the department was 10 years later. That doesn't sound like it's a relationship that's been going back and forth many times.

Mr. Taylor Bachrach: The quote is, literally, "I just want to make sure he gets taken care of, right?" That's—

Mr. Kristian Firth: That could be recognition for a job well done. That doesn't guarantee a promotion.

Mr. Taylor Bachrach: Okay. It reads to me like something more than recognition—being "taken care of". I'd like to—

The Chair: Make it a quick question, Mr. Bachrach, please.

Mr. Taylor Bachrach: Okay. I'll cede my time, Mr. Chair, and dive into the next question in the next round.

Thank you.

• (1235)

The Chair: Thanks.

Mrs. Block, please go ahead.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

Mr. Firth, I'm going to circle back to my line of questioning regarding GC Strategies' involvement in developing criteria on the fourth contract that you would have been awarded through the CB-SA.

Both the Auditor General and the procurement ombud identified the overly restrictive criteria on that fourth contract, which obviously raised concerns for both of them. A deeper concern to the Auditor General is that she went further and identified that GC Strategies were at the table.

Look, you would have been meeting with public office holders in order to set these criteria. They are accountable to Parliament. I'm going to ask you the same question I asked earlier. I'm trusting that you've had an opportunity to speak with your lawyer. Who did you communicate with from the Government of Canada? I need the names.

Thank you.

Mr. Kristian Firth: Let me address the question of the requirements being overly restrictive. I think I've heard in testimony and read in reports that the ePortal did a CPSS search, and there were actually 40 qualified vendors that bid on this RFP. Actually, I think 10 even showed interest. It seems a little subjective after the fact to call it "restrictive", when there were already 40 qualified vendors who could actually respond to that.

Secondly, I've had a chance to speak with my lawyer, and I'm sticking to my line with regard to the fact this is under investigation by the RCMP; therefore, I cannot interfere with that.

Mrs. Kelly Block: Mr. Chair, I'm wondering if you could provide us with any clarity on that.

The Chair: Yes. Thanks, Mrs. Block.

Mr. Firth, I understand what you're saying, but it's a very direct and simple question. We do have rules. I'm going to refer back to them:

Witnesses must answer all questions which the committee puts to them.... [You] may object to a question asked by an individual committee member. However, if the committee agrees that the question be put to the witness, the witness is obliged to reply.... The actions of a witness who refuses...questions may be reported to the House.

I think I can speak for everyone when I say we don't want to get to that point. I think it's a fair question. I don't think it's one directly related to any potential investigation. If I read it right, it's regarding the comment that GC Strategies helped to write the requirements for the contract that you then won. I think what we're looking for—if I'm correct, Mrs. Block—is, who did you discuss this with in the department?

Mr. Kristian Firth: Again, in the first three contracts, the names have already been provided, back in October 2022. I promise the committee member that I'll get the fourth person to them after this meeting.

The Chair: Okay.

Mrs. Kelly Block: For greater clarity, I'm looking for the individuals or individual that you would have met with in developing the criteria, not who signed off on the contract in this particular case. I do want that name, but now I'm asking, who did you sit at the table with to develop the criteria for this contract?

Mr. Kristian Firth: Again, I apologize, but after speaking with my lawyer, my stance still stands the same with the RCMP investigation pending. I don't interfere with that.

Mrs. Kelly Block: Well, Mr. Chair, I'm not sure where we go with that, but I'm sure we'll discuss that in due time.

I'm going to turn some of my questions to a slide deck for a possible app in March 2020 that you were asked to create. It's my understanding that this deck was presented to Minh Doan, a key government official who was involved in ArriveCAN, and that particular app had a Distill Mobile logo.

If that is correct, who asked you to provide the deck?

Mr. Kristian Firth: I'm sorry. Can you please repeat the question?

Mrs. Kelly Block: Sure.

You were asked to put together a slide deck for a possible app in March 2020. Who asked you to provide that deck?

Mr. Kristian Firth: I'm more than happy to get that to you in writing. I was not aware that this question would be coming up.

March 2020, Distill, yes, I can get that to you.

Mrs. Kelly Block: Okay.

You were contacted by the government and told that you were receiving a contract for ArriveCAN. Is there anyone at the CBSA who would have to declare a conflict of interest on contracts you are bidding on?

(1240)

Mr. Kristian Firth: No, there isn't.

Mrs. Kelly Block: Okay. You are not related to anyone at the CBSA

Mr. Kristian Firth: That's correct. I'm not.

Mrs. Kelly Block: Are you related to anyone working for a government department or any public office holder?

Mr. Kristian Firth: All of my family is in the U.K.

Mrs. Kelly Block: Okay. Thank you very much.

Let's turn now to Vaughn Brennan. He is an Ottawa-based consultant, and it is my understanding that you know him professionally. Is that correct?

Mr. Kristian Firth: That's correct.

Mrs. Kelly Block: Do you know him in any other capacity?

Mr. Kristian Firth: No, I do not.

Mrs. Kelly Block: Mr. Brennan's wife worked at Procurement Canada. That's the department responsible for government contracts. Were you aware of this?

Mr. Kristian Firth: I was not, until now.

Mrs. Kelly Block: I guess it's another convenient coincidence.

Who were your contacts with the government at the following departments and agencies? We have the Canada Border Services Agency, and it's my understanding that there are 134 contracts there; Innovation, Science and Economic Development Canada, at 24 contracts; and Employment and Social Development Canada. Who are your contacts with all of these departments?

Mr. Kristian Firth: I'd like to provide all of those details after this meeting, please. I would not like to speak about it publicly, just with how this committee is going. If you wouldn't mind, I will provide that information after this meeting.

The Chair: We're out of time anyway. Perhaps we can get back to that in the next round, or it can be provided in writing.

We have Mr. Kusmierczyk, from sunny, tropical Windsor.

Please, go ahead, sir.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair, and thank you, Mr. Firth, for your testimony here today.

I wanted to ask you this. You stated that you were part of about 100-plus contracts throughout your career with the federal government. Have any of those failed to deliver?

Mr. Kristian Firth: We've never had a contract cancelled.

Mr. Irek Kusmierczyk: Have you ever failed to deliver what was asked of you in any contract, whether it was a contracting agency like CBSA or Procurement Services Canada?

Mr. Kristian Firth: No. No, I have not.

Mr. Irek Kusmierczyk: Going back and picking up on a question that my colleague just asked regarding the mandatory criteria, the Auditor General's report and the procurement ombudsman basically concluded that this is a documentation issue that we're looking at here. Those were the huge gaps that we saw. There weren't any paper trails. The Auditor General called it some of the "worst financial record keeping" that she had seen.

That's the conclusion of both of those independent agencies, but there's one issue that I want to zero in on, because it is more serious than that, and that is the question about your role in drafting the mandatory criteria. The argument from the Auditor General is that this had the potential to artificially reduce competition on the bidding process and, as a result, Canadians would not have received the best value.

I know there are some things you mentioned that you aren't able to respond to right now in terms of who you were involved with directly in designing the "mandatory criteria" that "favoured" GC Strategies. Those were the words of the ombudsman, but can you tell us how often in this line of work a company like yours is involved in designing the mandatory bid criteria?

Mr. Kristian Firth: Again, I can discern things that I can disclose and that I can't, and I can't comment for all the other firms, the 635, and what they do.

Mr. Irek Kusmierczyk: Just comment on your firm, Mr. Firth.

Mr. Kristian Firth: I'm sorry. You'll have to repeat the question. Right now, I'm confused about what you're asking me. I'm sorry.

Mr. Irek Kusmierczyk: Basically, what the Auditor General and the ombudsman stated is that you were participating in the design of the mandatory bid criteria, and the argument is that this would have favoured GC Strategies. I want to ask how often you participate in the design of mandatory bid criteria.

• (1245)

Mr. Kristian Firth: We never do.

Mr. Irek Kusmierczyk: The Auditor General and the procurement ombudsman stated that you were a participant in designing the bid criteria that may have favoured GC Strategies. Can you address that particular issue?

Mr. Kristian Firth: What I can say and what I'm prepared to say is that the ePortal system from PSPC identified through those mandatory criteria that there were still 40 qualified vendors that could go after this. It doesn't sound like it's overly restrictive if there are 40 vendors that can go after this.

Mr. Irek Kusmierczyk: You can understand, Mr. Firth, that we're concerned that a vendor was actually working with either the CBSA or Public Services and Procurement Canada to design the bid itself. That seems sort of like inside baseball.

I want you to address that charge. That seems very serious to me, because it has the potential to reduce competition.

Mr. Kristian Firth: All I can say is that there was no bid rigging involved at all in the fourth COVID contract.

Mr. Irek Kusmierczyk: Okay. There is one other question I want to ask you to clarify.

My colleagues across the table often refer to GC Strategies as two guys in a basement who do no work and who received \$11 million in contracts. Can you clarify what the role of a staffing agency is and respond to that charge that it's two guys in a basement who do no work?

Mr. Kristian Firth: First of all, it's two guys in a staffing agency, but they're also two business owners. The amount of work is actually double compared to just being an employee. We're doing security clearances. We're recruiting. We're meeting with partners. We're networking with independent subcontractors, understanding what they do. We're preparing our fees. We're writing our fees. We're working with all these people to contribute and do bid responses. We do invoicing.

Those are just a few things. It's a full-time job. We're here to provide resources to the federal government. Again, until procurements change and go direct, that's our role.

Mr. Irek Kusmierczyk: You assemble the people who do the work. Is that correct? That is your job. You assemble the people who do the work.

Mr. Kristian Firth: That's correct. There can be staff augmentation, where it's one person for a project, or it can be a requirement for a team of resources.

Mr. Irek Kusmierczyk: It's sort of like, for example—

The Chair: I'm sorry. We're past our time, Mr. Kusmierczyk.

Mr. Barrett, go ahead, please.

Mr. Michael Barrett: Each time we have a round of questions with you, it seems like there's a lot of cleanup afterwards.

I have to go back to the question Mrs. Block asked you: Who were your contacts with the government, at the following departments and agencies: the CBSA; Innovation, Science and Economic Development Canada; and Employment and Social Development Canada? Are you telling us that you don't know the answers to that question, or is your answer that you're refusing to provide us with the information that you have?

Mr. Kristian Firth: No, not at all. Actually, I think my answer was that I will provide those to you in writing after this meeting. That's exactly what I said.

Mr. Michael Barrett: Do you know the answer? My question is this: Do you know—

Mr. Kristian Firth: I do know the answer.

Mr. Michael Barrett: Then provide it, sir.

Mr. Kristian Firth: I will, after this meeting, in writing.

Mr. Michael Barrett: I think that you have a grave misunderstanding of how this process works, and your refusal to answer questions here is a contempt of Parliament. That is something we can take up. I know that you take great umbrage at the fact that a subpoena had to be issued and that, had you not appeared today, a warrant would have been issued and you would have been arrested and brought before this committee. You're here very much not because you want to be forthcoming but because you're under the threat of arrest.

That's what we're dealing with in trying to get answers from you, so you'll have to excuse me if I don't believe you, sir, that you're going to bring us the answers after the cameras go off and the committee is adjourned. In the first back-and-forth that you and I had, you admitted to having perjured yourself in a previous appearance at this committee, so I have to go back and talk about that again.

You admitted to meeting officials in private residences, and you exposed your own lie, so I need to know this: What are the names of government officials you have met with anywhere outside of government offices? I want just the names.

Mr. Kristian Firth: First of all, I want to address the first thing you said, that I don't want to be here because I don't want to be arrested.... I don't want to be here because my family, my kids and I have been threatened, and people.... That's the real reason that I don't want to be here—

Mr. Michael Barrett: Sir, the question is very straightforward. It's for a list of names.

Mr. Kristian Firth: Yes, which I'm happy to give you, and I'm admitting I will give you those within 24 hours after the testimony.

• (1250)

Mr. Michael Barrett: I don't believe you.

Did you ever meet with Philippe Johnston in a private residence or any place other than a government office?

Mr. Kristian Firth: I have met with Philippe Johnston outside of work, yes.

Mr. Michael Barrett: Where? Mr. Kristian Firth: At a pub. Mr. Michael Barrett: When? Mr. Kristian Firth: In 2021.

Mr. Michael Barrett: We're going to circle back to that.

Have you ever met with Minh Doan in a private residence or anywhere other than a government office?

Mr. Kristian Firth: No, I have not.

Mr. Michael Barrett: I'll ask the same question about Cameron MacDonald.

Mr. Kristian Firth: I have met him outside of work.

We heard the testimony three times.

Mr. Michael Barrett: When and where, sir?

Mr. Kristian Firth: I'm happy to provide that information within 24 hours. I don't have that in front of me.

Mr. Michael Barrett: I'll ask the same question for Antonio Itano.

Mr. Kristian Firth: Yes, I have.

Mr. Michael Barrett: When and where?

Mr. Kristian Firth: Again, I will get you that information.

Mr. Michael Barrett: Kelly Belanger.

Mr. Kristian Firth: I have never met with Kelly Belanger outside of work.

Mr. Michael Barrett: Marc Brouillard.

Mr. Kristian Firth: Yes, I've met with Marc Brouillard outside of work.

Mr. Michael Barrett: When and where?

Mr. Kristian Firth: I'll get you that information.

Mr. Michael Barrett: This is interesting.

Again, you'll have to excuse my unwillingness to take it at face value that you're going to provide this information after, because I asked you these questions when you appeared before this committee before, and you said you hadn't met with government officials outside of government offices.

That, sir—and you can check with your lawyer or with a dictionary—is a lie. It's perjury.

At your first appearance before this committee, you testified that you did not know of and were not privy to any hospitality being given to anyone who worked for the Government of Canada. Is that true, or is that a lie?

Mr. Kristian Firth: I'm answering your question. I've actually been.... I've just given you the names of all the people, and I've agreed that I've actually taken these people...that we have been outside of work, which means—

Mr. Michael Barrett: The question, sir, is on hospitality. You said previously that you weren't privy to information on whether that had happened, and it seems like that's a lie.

Mr. Kristian Firth: No. I'm just telling you I'm privy now to information that happened, and I've just agreed that I have met those people outside of work.

Mr. Michael Barrett: While you're agreeing now, you disagreed before.

Sir, both in documents and in testimony, we now know that you, sir, in fact provided hospitality to Government of Canada officials on multiple occasions, and you lied about it—

Mr. Kristian Firth: I'm allowed to do that. I'm allowed to—

Mr. Michael Barrett: But you lied about it to the committee.

If you're content that everything was well within the bounds, if you've acted above board, my question to you, sir, is this. Why is it that every time you come to this committee you lie to parliamentarians and you lie to Canadians?

Mr. Kristian Firth: I'm telling the truth. I have met with all of those people outside of work in a hospitality manner.

The Chair: Thank you, Mr. Barrett.

Mr. Sousa is next, please, for five minutes.

Mr. Garnett Genuis: Chair, on a point of order, there were a number of instances, obviously, during Mr. Barrett's questions in which the witness point-blank refused to answer questions. I wonder if you, as chair, on behalf of the committee, can direct the witness to provide answers to the questions that were asked.

The Chair: Mr. Firth, I think there were a couple that you said you had but would not provide at this time and were going to wait until later to provide for us.

Mr. Kristian Firth: That was just the information for the resources of Canadian officials for those certain departments. I'm providing those within 24 hours.

The Chair: Does that mean the contacts?

Mr. Kristian Firth: The contacts, yes. I'm not saying no to any of these questions. I'm just saying I will provide them after.

The Chair: I guess the question is, do you have that information now with you?

Mr. Kristian Firth: I don't have the information with me right now. That's part of the reason why I'm asking for 24 hours to collect it.

The Chair: Okay. Just bear with us.

Mr. Michael Barrett: Chair, that is not what the witness said. The witness said in fact that with the way the meeting "is going", he wasn't prepared to provide them in public, so if—

The Chair: Yes.

Mr. Firth, I heard, "I have the information but I'm not going to provide it right now. I'll provide it later in writing," which is different from, "I don't have the information now."

I think you need to be very, very clear with your answers and say, "I don't have this information available to me now; I'll provide it later," or, "I am not willing to provide it at this time."

Mr. Kristian Firth: Thank you, Chair. I'll clarify what I'm saying.

I have the information, not with me at the present, and I will provide it within 24 hours, because I need to collect it.

The Chair: Thanks, Mr. Firth. I realize this is difficult. I would ask that you take your time to clarify these things carefully.

Mr. Sousa, go ahead, please.

Mr. Charles Sousa: Thank you, Chair.

Mr. Firth, are you aware of cases of bid rigging in the past?

• (1255)

Mr. Kristian Firth: No, I'm not.

Mr. Charles Sousa: In 2009, there were charges of bid rigging between some firms in Ottawa. Was Veritaaq one of them?

Mr. Kristian Firth: I think it was one of five firms with bid-rigging associations. I think so.

I think there have been two cases. I think there was a previous one with TPG, and I think there was another one. In all of the time since 2003, I think there have been only two cases of bid-rigging.

Mr. Charles Sousa: Were you involved in any of those cases?

Mr. Kristian Firth: No, I was not.

Mr. Charles Sousa: Were you approached by the Auditor General during her review?

Mr. Kristian Firth: I was emailed to give comment on the pieces that involved GC Strategies, which we responded to.

Mr. Charles Sousa: Did you receive any calls from the ombuds-

Mr. Kristian Firth: No, I did not.

Mr. Charles Sousa: How about from Mr. Lafleur, in his ongoing investigation?

Mr. Kristian Firth: He reached out to me and actually took a nice stance of understanding my well-being, including for this testimony and what it would be like. He has actually sent me the questions in writing, which I will respond to.

Mr. Charles Sousa: Do you still have to respond to him? That hasn't happened.

Mr. Kristian Firth: That's correct.

Mr. Charles Sousa: In regard to your earlier testimony around omnibus contracts, are those related to what the ombudsman talked about, the bait and switch? Can you explain that?

Mr. Kristian Firth: No. An omnibus contract is usually a large contract put out by a big agency like CRA, or even CBSA, for general IT services and not for a specific technology. It would incorporate 20 to 30 different categories and different levels of skill sets.

Mr. Charles Sousa: Can you explain what the bait and switch is?

Mr. Kristian Firth: A bait and switch happens when a vendor puts forward a bid and wins the contract. Then they switch out people on the bid for people who weren't on the bid to do the work. Typically they'll get more money. Sometimes it's because those people aren't available. It depends on how long it takes to evaluate the bid.

Mr. Charles Sousa: Has that happened in your case in the past?

Mr. Kristian Firth: No. The ombud said that 76% of the resources did not work on ArriveCAN. We can say that every single person we put forward who was caught up in a task authorization worked. Nobody we had did not work on ArriveCAN. Anybody we presented worked on ArriveCAN.

Mr. Charles Sousa: When it comes to ArriveCAN, it has been mentioned that it was established at \$80,000 and then it ballooned. In your case, you said you received \$11 million. The Auditor General is saying it's \$19 million.

Can you explain the reference to \$80,000 versus what has happened?

Mr. Kristian Firth: I think that was just for the proof of concept, the understanding of what it would take for paper to go digital. Then it turned into a project. Then, all of a sudden, it ballooned into PHAC having all of these agency requests, policy changes and subsequent amendments.

Mr. Charles Sousa: Could ArriveCAN ever have been produced to the extent that it has been for \$80,000?

Mr. Kristian Firth: No. not at all.

Mr. Charles Sousa: Okay.

Mr. Kristian Firth: You're integrating with back-end systems. You're dealing with mainframes. You're using platforms. That wouldn't even have covered one month of what AWS charged for cloud services alone.

Mr. Charles Sousa: Understood.

Mr. MacDonald called you to contact Botler. Mr. MacDonald had a relationship with Botler before you. Is that correct?

Mr. Kristian Firth: Again, he didn't call me to reach out to Botler. I was made aware of the situation the Public Safety portfolio was having. At that point I reached out to Botler through LinkedIn.

Mr. Charles Sousa: I understand. That's when you went back to MacDonald?

Mr. Kristian Firth: No. That was when I was working with Botler to put together a proposal. At that point I submitted it to CB-SA as a point of reference.

Mr. Charles Sousa: You didn't receive a contract, though.

Mr. Kristian Firth: I did not.
Mr. Charles Sousa: Nor did Botler.

Mr. Kristian Firth: No.

Mr. Charles Sousa: It was a pilot, but there was no completion. Is that correct?

Mr. Kristian Firth: It was actually a feasibility study. It was just to see if this would even integrate into CBSA and whether it would be adopted. My understanding was that the first two components were done, which is what they were paid for. It was the second and third parts that were never asked for.

Mr. Charles Sousa: Who paid them, though? You didn't pay them.

Mr. Kristian Firth: I paid them. Mr. Charles Sousa: Who paid you?

Mr. Kristian Firth: Coradix and Dalian paid me.

I had zero margin on this. I made zero dollars off Botler for two years.

Mr. Charles Sousa: Dalian got a contract with the government relative to the work being done by Botler on this feasibility study. Is that correct?

My Internet is unstable. I apologize.

I want to understand-

• (1300)

The Chair: I'm sorry, Mr. Sousa. We're out of time. Can you just finish up with the question for Mr. Firth?

Mr. Charles Sousa: How did Dalian get the contract?

Mr. Kristian Firth: They were advised by the CBSA that there would be a task authorization to do the Botler work from the CB-SA. They had an existing contract in place and asked if Botler would work with them for that.

The Chair: Thanks very much.

Ms. Vignola, you have two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Firth, is GC Strategies the only company you currently own? [English]

Mr. Kristian Firth: GC Strategies is the only company that services the federal government. That's correct.

[Translation]

Mrs. Julie Vignola: I see. There are other companies, then, but they don't provide services to the government.

According to newspaper reports, one company used tax havens. Is the use of tax havens in line with your values?

[English]

Mr. Kristian Firth: I don't rely on tax havens. The other company I own that's in there, I think, is something in 2004, which is a venture that I started about doing car detailing. It wasn't an offshore account or tax haven.

[Translation]

Mrs. Julie Vignola: In 2018, GC Strategies put up a post that it was partnering with then senator Mr. White. In what capacity did you partner with Mr. White, the senator, not Caleb White, your partner?

[English]

Mr. Kristian Firth: We were introduced to Senator Vern White at a social event. At that point, he was in the Senate. He was a retired chief of police from the City of Ottawa and, I think, assistant commissioner of the RCMP. We were looking at doing some work in the municipalities—for Durham and a few others—and he was interested in helping us get some contacts in there. He was never on retainer; he was never paid. We never actually got a contract through Mr. White. He was just more of a strategic adviser when it came to policing and public safety.

[Translation]

Mrs. Julie Vignola: I want to follow up on what you were saying earlier about Coredal Systems Consulting Inc. According to public records, it had three partners, three shareholders: you, Mr. Anthony and Caleb White, not to be confused with the former senator. Public records also show that the company ceased to exist in 2015.

You said that prior to April 2015, you weren't involved, you weren't partners. You said you didn't purchase the company until April 2015 and that you no longer had access to all the pre-2015 information. I'm trying to get a handle on how all this worked.

[English]

Mr. Kristian Firth: It was just a simple acquisition whereby, for a short moment in time from when we bought the company to when our name changed, we were owners of Coredal. We purchased that company, and then after two to three months, the name changed. That moved it to GC Strategies. It was just an acquisition at that time.

[Translation]

Mrs. Julie Vignola: Did Caleb White—

[English]

The Chair: I'm afraid that's past our time.

Mr. Bachrach, go ahead, please, sir.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I would like to ask some questions about why the government needs companies like yours in order to achieve its outcomes. I'll go back to some testimony, Mr. Firth, from a previous meeting, when you said, "If they want to eliminate the middleman...then they should have the ability to invoice or go directly to some of these people who have the software and have the product. Unfortunately, at this point, that doesn't exist."

Why isn't the government able to go directly to vendors and invoice them directly for their services?

Mr. Kristian Firth: My understanding is you have to become a qualified vendor with PSPC. My understanding is it's a pretty arduous task to try to do that, and a lot of people don't want to do it. Whether you're an independent or whether you're a firm, a lot of people are okay with having a middleman to navigate those potential hurdles for them.

It's typically by choice. The ones that want to do so become qualified vendors and have the opportunity to go directly to the government

• (1305)

Mr. Taylor Bachrach: I'm a bit unclear here.

The government has these criteria in place and these processes to ensure that vendors are qualified, and the way vendors can get around them, instead of working directly for the government, is by working for another vendor that is a qualified vendor.

Is that correct?

Mr. Kristian Firth: What I'm saying is that every person right who now can't go directly...any firm that currently can't go directly to the federal government has the opportunity to. There's a process it can follow to become a qualified vendor.

People who typically go through firms like mine are the ones who either don't already immediately have the qualifications to do so or are just choosing not to. The other ones are independents who would not need to.

Mr. Taylor Bachrach: In your view, is the government's internal IT capacity a constraint on directly procuring IT services?

Mr. Kristian Firth: Absolutely. I think it's a combination of things.

Mr. Taylor Bachrach: In 2013, the federal government reduced the IT capacity significantly through cuts to internal IT departments. Do you see them as contributing to the situation you've described?

Mr. Kristian Firth: I'm sorry. I can't comment on that.

Mr. Taylor Bachrach: You've been working in this line of work for the government since 2007. When those cuts happened in 2013, did they contribute to the situation we see now, whereby there's a reliance on these IT recruitment agencies to compile the vendors that are required to complete projects?

Mr. Kristian Firth: I'm sorry. I can't speculate on the whole industry. I apologize for that.

The Chair: Thanks, Mr. Bachrach.

We'll go to Mr. Genuis, please, for five minutes, and then Mrs.

Mr. Garnett Genuis: Mr. Firth, I want to circle back on some numbers that we discussed in my last round.

You told this committee that you and your partner put in about 30 to 40 hours per month over two years and that your take-home at the end of the whole ArriveCAN process was \$2.5 million.

I think your figures understate the reality of how much you made. Your invoices don't line up with your own figures, and your figures don't match the Auditor General's.

I think the realities are understated by your numbers. Even if we take your numbers at face value, doing that math—say 40 hours per month over two years, leading to \$2.5 million take-home—it would measure out that you earned about \$2,600 per hour.

Sir, how do you justify to taxpayers that you, as a recruiter, were effectively billing them at over \$2,500 per hour for your involvement in the ArriveCAN app?

Mr. Kristian Firth: You have to look more at the fact that this is not an hourly job. It says 30 to 40, but I can be working in the evenings, I can be working in the daytime and I can be working on the weekends.

You must appreciate that there's a lot more that goes into just getting a set.... This is not an hourly job, first of all—

Mr. Garnett Genuis: Sir, I asked you about the numbers. I just asked you to tell us how many hours, and I did a simple calculation based on your estimates.

Okay, maybe you work on weekends. You think your weekend rate is \$5,000 an hour and your weekday rate is only \$1,000 an hour.

The point is that I just did the math based on your, respectfully, lowball numbers, and it comes out to \$2,600 per hour.

Do you think, for Canadians who are struggling under the burden of taxation and other challenges in terms of affordability and the cost of living, you can really justify that you, recruiting other people to do IT work, were billing at \$2,600 an hour?

Mr. Kristian Firth: First of all, I don't make this decision. The government obviously values what I and my firm, and firms like ours, do, so I can't comment on what my hourly wage is. I can just comment on the fact that we had 55 contracts prior to these ones at the CBSA, for which the government saw value in everything that we do.

I don't make the decisions. The government makes—

Mr. Garnett Genuis: I actually think you make a fair point there. This is a question that I should be asking of the government. If they're paying you at this rate, why are they doing it? These are questions that I think we need answers to.

Sir, I want to ask you about Dalian's role in this deal. We found out some very striking things about Dalian recently.

As far as you were able to see, what did they do for the \$7.9 million that they purportedly got for their involvement in ArriveCAN?

(1310)

Mr. Kristian Firth: I'm sorry. I had no interactions with.... During ArriveCAN, they would have had their own contract, and I had my own. I didn't have any interactions with them.

Mr. Garnett Genuis: Did you have any discussions with them before or after the bid?

Mr. Kristian Firth: No, not at all. They were not part of my.... They were not part of any of the three—

Mr. Garnett Genuis: You're telling us that you never discussed the ArriveCAN work with Dalian.

Mr. Kristian Firth: Oh, no-

Mr. Garnett Genuis: Oh, you did discuss it with them.

Mr. Kristian Firth: I'm sorry. Go ahead.
Mr. Garnett Genuis: Did you or didn't you?

Mr. Kristian Firth: No, there was.... We've spoken on a mobile application, but we've never spoken about contracts. We've never spoken about ArriveCAN specifically. It may have been mobile work on new applications.

Mr. Garnett Genuis: Sir, did you or did you not have discussions with Dalian about the ArriveCAN project, the contracts, the work that was done, anything to do with ArriveCAN?

Mr. Kristian Firth: We had conversations, but they were way after the contracts were awarded. This has nothing to do with backand-forth before any contracts. This was communication.

Mr. Garnett Genuis: Okay. Do you know what they actually did?

Mr. Kristian Firth: I was not part of their contract. I was not working with them. They were completely siloed doing their work, and I was siloed doing my work. They were working—

Mr. Garnett Genuis: However, you had conversations with them, maybe or maybe not, but after the fact.

Mr. Kristian Firth: We never had conversations prior to the ArriveCAN contract awards. Did we speak—

Mr. Garnett Genuis: Sir, I have one more question, and this is, respectfully, going nowhere.

The Auditor General found that GC Strategies was involved in the development of a contract from the Government of Canada valued at \$2.5 million for your firm, received in May 2022. Could you please tell us, sir, who you communicated with at the Government of Canada for the contract received in May 2022? We want the names. I would ask you to answer that question. I would ask the chair to put that question to you on behalf of the committee and insist on an answer and an answer right now.

The Chair: Are you clear on the question, Mr. Firth?

Mr. Kristian Firth: I am, but again, I'm staying strong with what I've said before. This is being pushed by the committee, all these allegations against me and my firm, to the RCMP, and at this point, if there is an ongoing investigation, I'm not prepared to comment on it right now.

Mr. Garnett Genuis: On a point of order, what you think my motivations are for asking the question is not at all germane. I'd like the chair to put the question to you, and you have an obligation to answer it, whether you want to or not, because of the rules that apply to Parliament, to its committees and to witnesses who come before it.

Mr. Chair, could you put that question to him and insist on the answer?

The Chair: Mr. Firth, we would appreciate an answer. The fact that you've stated yourself that you, GC Strategies and your partner have not been contacted by the RCMP leads me to believe that perhaps they're not going down that path with you, so I think the committee and taxpayers would appreciate a response to Mr. Genuis.

Mr. Kristian Firth: I appreciate the question there, Mr. Chair, but the truth is that what's being reported on Twitter as a result of some things that are said here in this committee and the fact that it was pushed by everyone or by most of the committee members and everybody who has come forth for this, to push all information to the RCMP.... I have to assume that actually is happening. Even PSPC and the Auditor General have said they've moved their information over there.

The Chair: However—and I'm sorry to interfere, Mr. Genuis, or intervene—you've stated yourself that they haven't started anything with GC Strategies. I'd hate for us to not be able to get any responses based on a supposition that they may one day.

I think it's a fair question. Would you please provide an answer?

● (1315)

Mr. Kristian Firth: Would you mind if I just take two seconds with my lawyer, please?

The Chair: Of course not. Just turn off your mic, please.

Mr. Kristian Firth: Thank you.

The Chair: Colleagues, we were....

Go ahead, Mr. Firth.

Mr. Kristian Firth: I'm sorry. Thank you.

Again, I really appreciate the opportunity, Mr. Chair, that you've laid out clearly, but at this point, we're still remaining with our stance that there could possibly be a pending RCMP investigation.

Mr. Garnett Genuis: This is contempt.

The Chair: I will advise you, as I'm sure you're aware, that you have parliamentary privilege, which would allow you the right to speak, but I understand. I'll let my colleagues who brought the question pursue it in a different way.

Now we have Mrs. Atwin for five minutes, and then we will take our second suspension.

Go ahead, Mrs. Atwin, please.

Mrs. Jenica Atwin: Thank you, Mr. Chair.

Mr. Firth, in my previous questions I asked about the government tracking your performance, and you mentioned that there were quarterly reports.

Have you previously been asked to present these to the commit-

Mr. Kristian Firth: No, I have not.

Mrs. Jenica Atwin: Could you please do so?

I'd be interested in seeing those. **Mr. Kristian Firth:** Absolutely.

Mrs. Jenica Atwin: You also mentioned not being fully aware of what the allegations by Botler AI against you were.

According to their testimony, they're alleging issues around invoicing, delays in payments, deliverables for the project not reflecting the actual work they did, and the inflated work experience on the CV, which they assert are all against basic procurement rules.

I know you don't want to speak specifically to those allegations because there's potentially the pending investigation, but have you ever been the subject of a complaint by any other subcontractors you've worked with?

Mr. Kristian Firth: I have not.

Mrs. Jenica Atwin: What do you say to those things I've outlined? Do you have a response to those?

Mr. Kristian Firth: Just on the two that I can, on which I don't think there have been allegations, they were paid for all of the work they did on all the deliverables they delivered.

I think the reason they're claiming they weren't paid for the last bit was that they were actually fired, and what they delivered was not actually what was in the statement of work to be completed.

That's probably all I can say right now.

Mrs. Jenica Atwin: You mentioned also that Dalian and Coradix were siloed during this time and you didn't have interactions regarding the ArriveCAN app, but you also mentioned that it was GC Strategies that paid Botler AI through Dalian.

Would there not have been interactions regarding that?

Mr. Kristian Firth: Yes, but Botler was not part of the Arrive-CAN project. Botler was completely independent from ArriveCAN and was actually before ArriveCAN.

Mrs. Jenica Atwin: Okay.

We've mentioned a bit about how journalists have been following this very closely. Many articles on this have been published.

Have you spoken to any journalists?

Mr. Kristian Firth: No, I have not.

Mrs. Jenica Atwin: Is there a desire to do so, to clear up anything that's been reported in the media?

Mr. Kristian Firth: Yes, there will be after this testimony. We'll be answering questions.

Mrs. Jenica Atwin: Both the Office of the Auditor General and the Office of the Procurement Ombud found that GC Strategies did not meet the document safeguarding capability requirement in effect when it was awarded its contract.

To the best of your knowledge, how did GC Strategies manage to be awarded a contract without meeting the security requirement?

Mr. Kristian Firth: I'm actually going to quote something that was clarified by PSPC in the last testimony, when PSPC clarified that a distinction needed to be made between a security clearance of an organization or staff member and the capacity requested by an organization. It is not necessary for an organization to have that capacity at the time of contract award. It is normal for a contract to be awarded without that capacity for contract security being verified ahead of time. Otherwise there is an amendment to withdraw that requirement as it's not necessary, and that's what happened for us in our contract.

Mrs. Jenica Atwin: As part of this contract, did GC Strategies and/or its resources ever have access to classified data or information without having been properly screened?

Mr. Kristian Firth: Yes. Everybody is screened by PSPC and then screened by CBSA specifically. Every CBSA person has to be screened twice.

Mrs. Jenica Atwin: The report by the Office of the Procurement Ombud also stated:

The assessment worksheets for resources added through [task authorizations] under a contract awarded to GC Strategies...stood out from the others. For this contract valued at \$25.3 million there were 42 [task authorizations].

OPO found assessment worksheets for resources on 16 of the 42 [task authorizations] issued under this contract did not demonstrate the proposed resource met mandatory criteria or support points awarded for point-rated criteria. There were numerous examples where the supplier had simply copied and pasted requirements from mandatory and point-rated criteria as project experience of the resource.

Is it standard practice for suppliers to copy and paste requirements for mandatory and point-rated criteria as project experience on the proposed resources?

Mr. Kristian Firth: I'm sorry, but what was the number there for the OPO?

Mrs. Jenica Atwin: There were 16 out of the 42.

Mr. Kristian Firth: First of all, that statement is incorrect.

We've actually gone through and reviewed all of the résumés and the evaluation grids that would have supported those 42 task authorizations, and we've identified bullet points in the resources' résumés that clearly show this experience was outside of the supposed "cut and paste".

Again, that number, 16, is drastically inaccurate compared to what we've gone through for our evidence.

Second, the TA stage, as you can appreciate, is a business one. Every time there is an opportunity for CBSA to evaluate this even more clearly, at that point they can choose to accept or not accept the resource. All of those people on the 42 task authorizations had worked there before.

I hope that answers your question.

(1320)

Mrs. Jenica Atwin: Yes. Thank you.

In your view, were the government's resource criteria for Arrive-CAN work realistic and reasonable?

Mr. Kristian Firth: They did the ePortal review, and there were fully qualified vendors who could work on them.

Mrs. Jenica Atwin: Thank you for that.

The Chair: Thank you very much. That is our time.

Colleagues, we will suspend for about five minutes.

• (1320) (Pause)_____

• (1325)

The Chair: Thanks, everyone.

We're back, and we'll have Mr. Deltell, please, for five minutes.

[Translation]

Mr. Gérard Deltell: Thank you, Mr. Chair.

Mr. Firth, does your company have contracts with private companies?

[English]

Mr. Kristian Firth: Yes, we did.

[Translation]

Mr. Gérard Deltell: In what areas?

[English]

Mr. Kristian Firth: I'm sorry. Yes, we did, rather.

[Translation]

Mr. Gérard Deltell: What areas do those contracts cover?

[English]

Mr. Kristian Firth: I apologize. I missed the last one.

Mr. Gérard Deltell: What kinds of activities are they involved in?

Mr. Kristian Firth: If you mean the private companies, they are IT software firms. They are systems integrators.

• (1330)

[Translation]

Mr. Gérard Deltell: Let's turn to the quality of your work on the ArriveCAN app.

How would you rate the final product? With all the trials and tribulations, Canadians were negatively affected by the rollout of this new app, as we saw.

[English]

Mr. Kristian Firth: I think, understanding the circumstances the whole of Canada and the whole of the world were in, and the fact that this went through 170 renditions and they were delivered always on time, I think our work was done very well, and I feel like the application was a success. I believe there were 260—

[Translation]

Mr. Gérard Deltell: Pardon me?

[English]

Mr. Kristian Firth: I believe the application was a success. I think it was 260 million times that the app was opened.

[Translation]

Mr. Gérard Deltell: Are you serious when you say that the application was a success?

[English]

Mr. Kristian Firth: I think it did exactly what it was supposed to. It was to open the borders. It helped to streamline the process. It was to be a low-touch application. I think if we look at those.... You know, there was a moving target. PHAC was sending out new policies every month or so.

[Translation]

Mr. Gérard Deltell: Mr. Firth, what say you to the 10,200 people who launched a class action because your app resulted in their having to quarantine when they didn't need to? Do you call that a success?

[English]

Mr. Kristian Firth: I think it's very unfortunate for those 10,000 people, but I cannot comment on things that happened within the application. I provided the resources.

[Translation]

Mr. Gérard Deltell: I have to stop you there, Mr. Firth. You said the application was a success, so I'm telling you point-blank about a problem that affected thousands of Canadians. Some 10,200 people launched a class action because your app resulted in their having to quarantine when they never should have.

You say you aren't responsible. Why are you washing your hands of the situation?

[English]

Mr. Kristian Firth: I'm so sorry. I really have no comment on it. That's not my line of expertise.

[Translation]

Mr. Gérard Deltell: Unbelievable. If not your line of expertise, then whose?

[English]

Mr. Kristian Firth: We were not involved in the architecture: Understand that this project was derived and project managed by the CBSA.

[Translation]

Mr. Gérard Deltell: How can you justify turning a \$2.5-million profit on the app to those 10,200 people? Do you really think you deserve a \$2.5-million profit for making 10,200 people quarantine for no reason?

[English]

Mr. Kristian Firth: I'm sorry. Can you repeat that? My head-phones just broke.

[Translation]

Mr. Gérard Deltell: You said earlier that you made \$2.5 million in profit on the app, according to your numbers. The Auditor General thinks otherwise, but let's go with your number. That means you made a profit of \$2.5 million for doing 40 hours of work a month. I'll come back to that.

I am telling you point-blank that 10,200 people wound up having to quarantine needlessly because of your app, and you call that a success. Is that the type of success that warrants a \$2.5-million profit?

[English]

Mr. Kristian Firth: Like I said previously, I don't make that decision. The government obviously sees value in what we do. That's why we were working there for three years.

[Translation]

Mr. Gérard Deltell: If you're not responsible, then who is?

English

Mr. Kristian Firth: Again, I did not make the decision. The government sees value in what we do. We were not part of architecting this application.

The Chair: Thank you very much, sir.

It's over to you, Mr. Jowhari, please, for five.

Mr. Majid Jowhari: Thank you, Mr. Chair.

Mr. Firth, I'm going to pick up where I left off. I want to close the loop on the rate to the Crown.

To confirm, the rate to the Crown is determined by the Crown, based on the available market rate and the availability at the time, and that's communicated to the vendor as the rate that's going to be accepted. This rate is inclusive of the hourly rate, as well as what we call the per diems for food, transportation and all of that.

Is my statement correct?

• (1335)

Mr. Kristian Firth: It's somewhat correct. However many people are responding to an RFP will give their financial bid. What that means is I will determine that I think somebody is worth \$1,400. Another vendor may say, "I think that person is worth \$1,500." The third vendor says, "I think they're worth \$1,300." The Crown would

determine through a median band that the rate, as a result of those three bids, is \$1,400.

Mr. Majid Jowhari: Thank you for that.

That clarifies that the rate the Crown develops is a median of the rates from the vendors that are responding to the RFP. Is that correct?

Mr. Kristian Firth: That's correct.

Mr. Majid Jowhari: Perfect.

Can you tell me how many of the bids you received for Arrive-CAN were open bids?

Mr. Kristian Firth: There was only one. To be clear, though, the other three still required price substantiation.

Mr. Majid Jowhari: Mr. Firth, I'm interested only in Arrive-CAN, because I'm trying to keep the focus on ArriveCAN. My colleagues want to go to the RCMP, or they want to go the other route, with Botler. I'm sticking with ArriveCAN.

Basically, what I understand of the process is the fact that this was a closed bid and that the rate that was established for Arrive-CAN—naturally, because there were not multiple bids—was the rate you had put in as a suggested rate to the Crown.

Is my understanding correct?

Mr. Kristian Firth: Right, but there was also price substantiation that had to be provided. PSPC requested that I provide four other competitive bids that had similar categories and rates. It was actually going with four different competitive contracts that determined what the median was.

There was price substantiation. Although they were sole-sourced contracts, they still had to be price substantiated to prove value to the Crown.

Mr. Majid Jowhari: Okay. Going off that, I don't understand why the Crown asked you to provide four others, rather than going and finding four others itself and then looking at the median. That I still don't understand, and I don't think that's the right way of doing it. That's what I consider to be a conflict of interest.

Let's go back to the number of RFPs. How many RFPs have you responded to from the government since 2015, so that you managed to secure between 60 and 65 contracts?

Mr. Kristian Firth: How many were there? There were 190 to 200.

Mr. Majid Jowhari: Of the 190 or 200 RFPs that you responded to, you secured 60. Is that correct?

Mr. Kristian Firth: If you look through the contract, there are other ones that are \$25,000 sole-sourced contracts.

Mr. Majid Jowhari: I understand.

My question was how many RFPs you have bid on, because I'm trying to figure out your success rate. If your success rate is 100%, I would like to question that. If your success rate is 30%, I would like to say, "Okay, that's reasonable."

What is your success rate as far as securing government contacts is concerned, among those that you have bid on and secured 60 to 65?

Mr. Kristian Firth: It's 15%.

Mr. Majid Jowhari: You managed to secure 15% of the contracts that you bid on as part of the RFP, so 60 to 65 contracts represents the 15% that you won out of the contracts that you bid on.

Mr. Kristian Firth: It would probably be closer to 50, because, again, some of those are \$25,000 sole-sourced contracts, which were closed bids. For the ones that were open for competitive processes, it would be about 15%.

Mr. Majid Jowhari: Okay, it's 15%.

The Chair: Thank you. I'm sorry—that's our time. You're a couple of seconds past.

Ms. Vignola, you have two and a half minutes, please.

• (1340)

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Firth, I asked you earlier about Dalian's invoices, and you gave me a name, Hoodspith, someone from the CBSA. Am I to understand that this individual worked for you as a subcontractor while working for the CBSA?

[English]

Mr. Kristian Firth: I think he was working for me as a subcontractor to the CBSA; that's the same thing.

[Translation]

Mrs. Julie Vignola: All right. He worked as a subcontractor for the CBSA while working as a subcontractor for you and Dalian. Is that correct?

[English]

Mr. Kristian Firth: I'm sorry. I don't understand the question.

[Translation]

Mrs. Julie Vignola: I'll try to summarize it for you.

We saw that Dalian sent a bank transfer to "Hoodspith CBSA". That would mean that Dalian was awarded a contract with the CB-SA—I'm referring to Botler AI, here—and that Mr. Hoodspith was paid for his services through you. At the same time, Mr. Hoodspith was working as a subcontractor for the CBSA.

Do you see what I'm getting at? He was a subcontractor at two places, but was working for the same agency at the end of the day. Isn't that correct?

[English]

Mr. Kristian Firth: I'm sorry. Without having that information in front of me, it doesn't seem possible, because the CBSA has a rule whereby you can be on only one task authorization. That's to prevent that from happening—that you can be on only one task authorization at a time. The only thing I can think of that could have happened was that maybe there was a delay in billing. Again, the CBSA is pretty good. It makes sure that a person only ever has their name on one task authorization at a time.

[Translation]

Mrs. Julie Vignola: All right. That's something else that needs looking into, and the fact that this individual was subsequently transferred to PHAC with others is merely a coincidence.

[English]

The Chair: Thank you very much.

Mr. Bachrach, you have two and a half minutes, sir.

Mr. Taylor Bachrach: Thanks, Mr. Chair.

Mr. Firth, I would like to go back to this issue of security clearances. The Office of the Procurement Ombud found that "GC Strategies Inc. did not meet the Document Safeguarding Capability when it was awarded the [\$13.9-million non-competitive] contract" for professional services with the CBSA. When did you find out that you did not meet the security clearance for that contract?

Mr. Kristian Firth: We were told.... I think the amendment was made to the contract 13 months after it was awarded.

Mr. Taylor Bachrach: So, 13 months into the contract, you were notified that you did not meet the security clearance.

Mr. Kristian Firth: We were notified that they were removing that prerequisite, because it wasn't necessary.

Mr. Taylor Bachrach: Who notified you of that?

Mr. Kristian Firth: I will have to speak to my business partner. He gets all of the security information.

Mr. Taylor Bachrach: Did you communicate to them about the security clearance prior to that?

Mr. Kristian Firth: No, there was a component within the RFP that was not directed towards the vendor. It was an amendment that was removed after the fact.

Mr. Taylor Bachrach: It just seems that, going back to your previous testimony about why the government would rely on your company, one of the reasons is that other companies don't necessarily meet the pre-qualifications to engage in these government contracts. However, here's a case where your company didn't meet the qualifications for this contract, and the government found a way around it by simply removing that requirement. Did they express to you why they removed the requirement?

Mr. Kristian Firth: No, I'm sorry. My understanding is that at the point of contract award it isn't determined whether or not they have to have this certain document safeguarding. It's only after the fact, once the project has got going, that they decide to remove it or not. We're dealing with invoices. We're not dealing with protected information. The determination after the fact was that we were not required to have that at all.

• (1345)

Mr. Taylor Bachrach: At the time you signed the contract, though, you were required to have it. Is that correct?

Mr. Kristian Firth: That's what the RFP says.

Mr. Taylor Bachrach: That's what the RFP says, yet CBSA did not flag that requirement with you when they signed the contract.

Mr. Kristian Firth: I will quote just what PSPC said, as they are more experienced in this than I am. PSPC said, "It's important [that a distinction be made] between the security clearance...of an organization or staff and a capability [requested] of an organization. It's not necessary for an organization to have the capability [at the time] the contract is awarded...it's normal for a contract to be awarded without a capability"—which is us—"having been verified [by] the contract security program." Otherwise, there has to be an amendment to withdraw that requirement, as it was not necessary, which is what happened for this contract.

The Chair: Thank you very much.

We'll have Mr. Barrett, please, for five minutes.

Mr. Michael Barrett: Is a significant part of your job contacting and communicating with government, their departments, agencies or Crown corporations?

Mr. Kristian Firth: Yes, it is.

Mr. Michael Barrett: How many hours per month would you say you spend on that?

Mr. Kristian Firth: It's hard to quantify that, because if we're busy with existing contracts, then there's contract management and other components versus new business development and interactions and identifying new opportunities.

Mr. Michael Barrett: Let's look for a number. You can use you and your partner combined—Mr. Anthony. How many hours per month?

Mr. Kristian Firth: I'm sorry. I can try to answer that honestly, accurately.

Mr. Michael Barrett: Is it more than 80?

Mr. Kristian Firth: Yes, per month, for sure.

Mr. Michael Barrett: More than 80 hours per month. Is it more than 100 hours?

Mr. Kristian Firth: I can't quantify it. I'm giving you an answer of more than 80.

Mr. Michael Barrett: That also includes proactively making the government aware of the services you offer.

Mr. Kristian Firth: Again, I'm sorry—it depends. It depends on whether or not we are.... With ArriveCAN, there were not 80 hours of meetings and proposing and getting new business, because we were managing 100 resources at that time. It varies.

Mr. Michael Barrett: Are you registered to lobby?

Mr. Kristian Firth: No, I'm not, because we do not charge a fee.

Mr. Michael Barrett: As an owner of GC Strategies, you obviously have control over your company's website.

You were here 16 months ago as part of the arrive scam inquiry. I asked you in October 2022 to provide the names of senior government officials who offer glowing endorsements for you on your website. I want to read some of those, because you haven't had a chance over the last 16 months, I guess, to furnish us with that information.

Here's one for you for GC Strategies:

They see the bigger picture and do not chase the "quick sale". I think they are first and foremost are a taxpayer and see efficiency and getting the best value for government.

That's a chief data officer in the public sector. What's their name?

Mr. Kristian Firth: First of all, apologies for not getting that information to you. I thought I had. I sent hundreds of pages that day, and I'm more than happy to give you that information in writing.

Mr. Michael Barrett: Okay. Let's be serious, sir. You've had 16 months, and you want us to believe that you're going to provide us with that information now that you've been asked again.

A Government of Canada senior executive said:

GCstrategies listen and try to find solutions to my problems vs. selling me a solution to a problem I've never had.

Who was that person?

Mr. Kristian Firth: I'm sorry. You can ask me the three or four that are on there, and my answer is going to be the same. I will get you that information. I promise you that. I thought I'd sent it over 16 months ago.

Mr. Michael Barrett: Sir, let me very clear that in the arrive scam there are all kinds of players who play all kinds of different roles, and you've demonstrated yourself to be a liar. You've lied before a parliamentary committee on multiple occasions. You even undertook to provide to me this information.

Sixteen months ago, you and I had this exchange, and now you're here, and the only reason you came was that you were threatened with arrest. You've come virtually, and now your undertaking is to provide the information. You promise—cross your heart—that you're going to do it this time, but you couldn't do it before.

It strains reason and certainly demonstrates that you don't have any credibility when it comes to the questions we ask, which leaves me to wonder what I should even bother asking you, because I can't believe anything that you're going to say. Will you provide us with those names right now? You obviously know who the VP of a major Crown corporation was who appears on your website. The chief information officer for the Government of Canada: What was the name? You know.

● (1350)

Mr. Kristian Firth: As I said previously, I will give you these—

Mr. Michael Barrett: No, sir. No, sir, I do not accept that. You will provide this committee with a name. You've had 16 months to do it. This is your opportunity now to demonstrate that you are true to your word.

Are you going to make that demonstration, or are you going to prove what we know to be true, which is that you're not honest?

Mr. Kristian Firth: As I said, I appreciate the question. I will give you the answers.

Mr. Michael Barrett: Your appreciation for the question isn't the reason I asked it. I'm looking for the information.

Mr. Kristian Firth: I said I will give you the information. **Mr. Michael Barrett:** You also said that 16 months ago.

Sir, it is not just contempt of Parliament, but it's contemptuous to Canadians. They are lined up at food banks in record numbers, and you are raking in millions of dollars off the backs of Canadians. Then, when you're called to provide even just the smallest bit of accountability, you laugh in Canadians' faces. It's disgusting, to be clear.

We'll see if you do in fact provide those names finally, this time, but after 16 months, I certainly don't believe you, and neither can Canadians.

The Chair: Thanks. That is our time.

Mr. Firth, you're welcome to offer a quick response. Otherwise, we'll go to Mr. Kusmierczyk.

Mr. Firth, did you want to respond to that?

Mr. Kristian Firth: No.

The Chair: Mr. Kusmierczyk, the floor is yours for five minutes, sir.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair. I do have a motion that I would like to put forward as well, before my time expires. Perhaps you could give me a heads-up so that I can put the motion forward.

The Chair: Are you intending just to read it into the record, or are you putting it as a matter-at-hand motion?

Mr. Irek Kusmierczyk: It's a matter at hand.

The Chair: Thank you, sir. Go ahead.

Mr. Irek Kusmierczyk: GC Strategies is essentially an IT staffing agency. The Auditor General noted the differences between the per diem costs of a private staffing agency versus someone who works in the public service in the IT sector. The per diem cost that the AG noted was about \$1,090 for a staffing agency versus the per diem cost for a public sector IT professional, which is about \$675. It's almost double.

It's reflective of what we're seeing. For example, we hear a lot in the news these days about private nursing staffing agencies. A regular RN, a registered nurse, working for a public hospital, for example, will make about \$40 an hour, whereas a private staffing agency, a private staffing nurse, will typically make about \$90 to \$100 per hour, and in some instances \$160 per hour. What we're seeing in the IT sector is also what we're seeing when it comes to nursing and health care and other sectors as well.

Can you tell us why there is such an increase in the cost of contracts for private sector staffing agencies like GC Strategies, or for nurses in the case of nursing? Could you highlight or enlighten us as to why there's such an increase?

Mr. Kristian Firth: The one that comes to mind is just the type of work these resources do. In the private sector, whether it's Shopify or whatever, it's more innovative technology with more innovative solutions, whereas in the public sector you're dealing with more of a mainframe system, or older back-end systems, and sometimes outdated technology as well, so the private sector can charge

more, I think. They're going back to companies that are paying more because they just know that they're trying to get a specific skill set. They're always advancing technology. There are probably only 20 or 30 people, or 50 people, who can do that, versus 70 or 80 or 100 or 300 people who can do Java or dot-net or more of an established technology.

Mr. Irek Kusmierczyk: Mr. Firth, where is the top talent migrating to when it comes to IT? Is it the public sector or the private sector?

Mr. Kristian Firth: It's the private sector.

Mr. Irek Kusmierczyk: Is it even close?

Mr. Kristian Firth: No. It's not close.

• (1355)

Mr. Irek Kusmierczyk: Can you talk to us a bit about that, for those who aren't initiated in the IT world?

Mr. Kristian Firth: Yes. For example, if I were to do a side-by-side comparison of the same requirements with this experience, it sounds kind of like people want to work for a private sector firm that has beanbags and all these other perks that come from working at this job. I feel like it's a harder sell to try to get somebody to come and work in a public sector job.

Mr. Irek Kusmierczyk: Are the salaries bigger in the private sector or the public sector?

Mr. Kristian Firth: They're bigger in the private sector.

There used to be a desire to come and work for the government—you have your pension and so forth—but the problem now is that the delta between the two is such that you can work in the private sector and save your money, and you'll be in a better environment and have just as much as if you had a pension.

Mr. Irek Kusmierczyk: You mentioned Veritaaq. You worked for Veritaaq, which is a company that was operating long before 2015. I'm looking at this. It received hundreds of millions of dollars in contracts from the previous—

The Chair: Let me just interrupt you, Mr. Kusmierczyk. You have about 45 seconds left, sir. I'm sorry.

Mr. Irek Kusmierczyk: I will move to my motion, then, Mr. Chair. I appreciate the heads-up.

We heard a lot of discussion today about vendors and suppliers coming together to design the mandatory criteria, and the concerns that were outlined by the Auditor General and the ombudsman that this might actually artificially reduce competition. Competition is something serious, which we have raised a number of times, even today, around this table.

We have a Competition Bureau commissioner here in Canada. I'd like to hear from Mr. Boswell, the Competition Bureau commissioner. The reason I say that is it's the role of the Competition Bureau commissioner to ensure fair competition and to enforce fair competition, but also to provide advice to tendering agencies on how to protect the competitive process.

I would also add that the Competition Bureau commissioner recently released what's called the collusion risk assessment tool.

I think the Competition Bureau commissioner would provide some incredible light and information on securing and protecting competition and the procurement process, so I move:

That the committee invite the Competition Bureau commissioner to appear for two hours on government procurement processes and address issues of competition, fair bidding, bid rigging and how tendering authorities can protect the competitive bidding process.

I think we would absolutely benefit from speaking with the Competition Bureau commissioner.

The Chair: Thanks. We'll start a speaking order.

Mr. Genuis.

Mr. Garnett Genuis: Chair, I think there's unanimous support for this motion. I don't want to take time away from our limited time with the witness, so I think if you put the question now, you'll find there's unanimous support for this and we can just move on.

The Chair: I think we were at that point before your intervention, but thank you.

Colleagues, are we comfortable with that? We could maybe even do it in parallel to the red tape reduction or as part of the red tape reduction study.

We seem to have unanimous consent.

(Motion agreed to)

The Chair: Thank you, Mr. Kusmierczyk. I appreciate that.

We're now going to Mr. Barrett, I believe, or Mr. Genuis.

Mr. Genuis, please, go ahead, sir.

Mr. Garnett Genuis: Thank you.

Mr. Firth, how many contracts do you currently have with the Government of Canada?

Mr. Kristian Firth: We have zero contracts right now.

Mr. Garnett Genuis: Okay. Is it not the case that you have one outstanding one that ends at the end of March?

Mr. Kristian Firth: No. That was cancelled. The resources were pulled off the project.

Mr. Garnett Genuis: This is because you've been suspended from getting certain kinds of contracts with the government. Is that correct? You've been suspended, but not outright banned.

Is that accurate?

Mr. Kristian Firth: That's correct. We've been suspended. We've lost our security clearances as well, so we cannot actually do that work or any work—

Mr. Garnett Genuis: Okay. How were you informed about this change to your procurement status?

Mr. Kristian Firth: At first, we found out in the House of Commons, when the minister declared it, but we weren't aware of it. Secondly, PSPC let us know.

Mr. Garnett Genuis: The minister said it before the contract had actually been cancelled.

Mr. Kristian Firth: Yes, and before our security had been cancelled.

● (1400)

Mr. Garnett Genuis: Okay. What was the lag time between the minister saying it had happened and when it actually happened?

Mr. Kristian Firth: Three hours.

Mr. Garnett Genuis: Okay. It happened the same day.

Who from PSPC contacted you?

Mr. Kristian Firth: Can I get that to you? I don't have that in front of me right now.

Mr. Garnett Genuis: Can you get it to us by five o'clock?

Mr. Kristian Firth: Yes, by five o'clock.

Mr. Garnett Genuis: Okay.

Were you contacted by any other departments?

Mr. Kristian Firth: It was only by those people who we had as resources remaining in there. We actually removed the resources from that project.

Mr. Garnett Genuis: On what dates were you contacted by other departments?

Mr. Kristian Firth: Again, can I kindly ask that I give that to you later?

Mr. Garnett Genuis: Give it by 5:00, please.

In the lead-up to these changes, were you in discussions with government officials? Did you have any conversations about the possible suspension?

Mr. Kristian Firth: Yes, I had a conversation with a gentleman from PSPC in which I indicated that I actually was going to terminate my security before it was suspended. When you have no government contracts, it's kind of hard to get....

Mr. Garnett Genuis: Who were you in touch with at PSPC? What was the gentleman's name?

Mr. Kristian Firth: I think his name was Nolan. Nolan was his first name. I can't remember his last name; I'm sorry.

Belleville was his last name. Nolan was his first name.

Mr. Garnett Genuis: Okay.

Could you give us dates for those discussions?

Mr. Kristian Firth: Yes, I can.

Mr. Garnett Genuis: What does the GC in GC Strategies stand for?

Mr. Kristian Firth: It just stands for "Government of Canada".

Mr. Garnett Genuis: Okay. Government of Canada Strategies is the full name.

Did you discuss your testimony today with anybody from the government?

Mr. Kristian Firth: No, I did not.

Mr. Garnett Genuis: You'll confirm that—that you didn't have any discussions with anyone.

Mr. Kristian Firth: I can confirm that.

Mr. Garnett Genuis: Sir, I want to give you one more chance to answer the question that I asked previously.

I think you should understand and appreciate the powers that Parliament has and the critical role that Parliament has in getting information from Canadians. You may not like the criticism that sometimes flows from it. However, we have a responsibility to stand up for taxpayers, and that includes being able to fulfill our functions as parliamentarians.

Can you provide the names of the officials you met with—as I requested previously—for the contract where you sat down with government officials and worked out the terms of that contract? Can you provide the names of who you met with?

Mr. Kristian Firth: I appreciate the question, but unfortunately, I'm still taking the same stance. I was brought in here before the investigation was completed. The assumption is that the RCMP has every allegation surrounding this, so on that point, I cannot interject.

Mr. Garnett Genuis: Sir, have you been briefed by your lawyer on the constitutional principle of the supremacy of Parliament, the rights that parliamentary committees have when it comes to requesting information, and the fundamental powers that, in a democracy, the legislature has to have? Have you been briefed on these issues? If you have, then why do you persist in disregarding those requirements?

Mr. Kristian Firth: I appreciate the question. Unfortunately, I can't comment on that. The conversations between me and my lawyer are privileged.

A voice: You're privileged all right.

Mr. Garnett Genuis: I think there's quite an assertion of privilege from you that ignores the rights and responsibilities of democratically elected legislative bodies.

The Chair: That is our time, Mr. Genuis.

We'll go to Mr. Sousa, please, for five minutes.

Mr. Charles Sousa: Thank you, Mr. Chair. I think we're wrapping up soon.

I just want to address some of the issues with respect to the use of ArriveCAN.

I know, Mr. Firth, that this is not necessarily under your responsibility, and you made that clear—in terms of the actual engagement or the final use of the product—but how many Canadians use the application that you were involved with? Do you have a sense?

Mr. Kristian Firth: I have numbers that the actual application itself was opened 216 million times. It was being used by around 40 million people.

Mr. Charles Sousa: There were some who were detained inappropriately, I understand. I was one of them, in fact. I bet that number is.... I think someone quoted 10,000. Is that right?

• (1405)

Mr. Kristian Firth: That's my belief, yes.

Mr. Charles Sousa: It's been applied and used extensively, as you just noted.

With regard to the development of this product, it seems to be assumed that you're the sole provider. Can you advise the public who are watching on how many contractors were actually part of the development of the ArriveCAN application?

Mr. Kristian Firth: I think the number the AG threw out was around 19 different vendors.

Mr. Charles Sousa: Then, the other issue is the expertise and the skill set within the civil service to provide this application. I want to try to equate this as though we have a lot of real estate, assets and engagement. This application also has intellectual property. There's an asset value to this application. Is this correct?

Mr. Kristian Firth: This is not throwaway code. The Government of Canada owns all of the IP, which is a platform on which other applications can be built.

Mr. Charles Sousa: When the government engages in constructing a building, does it do it itself or does it contract out?

Mr. Kristian Firth: It would contract that out.

Mr. Charles Sousa: Then we would involve a contractor, and that contractor would then use subcontractors to provide the construction of that asset.

Mr. Kristian Firth: That's correct. We act as a general contractor.

Mr. Charles Sousa: The general contractor in the construction of a building will take a percentage of the overall cost of that contract. Is that how it works?

Mr. Kristian Firth: That's correct.

Mr. Charles Sousa: The construction of a 350-unit building might cost \$100 million. What kind of percentage does that general contractor take? Do you have a sense? Do you know?

Mr. Kristian Firth: No. I'm sorry, but I don't. I'm guessing it's over 20%.

Mr. Charles Sousa: There's an evaluation, mind you, when they do a contract. There's a sense of what that value should be, and then it's audited and monitored to ensure that there are no overruns. Does that happen when you're involved?

Mr. Kristian Firth: Yes, there will always be back-and-forth with the financial groups and the procurement and contracting areas to make sure there's a significant run rate left on the task authorization, that there's enough money left on the contract. You can't go over, so they're always timing their deliverables with financial lines in place to make sure there are funds in place to finish that part of the work.

Mr. Charles Sousa: Do you have a sense of how many contracts the Government of Canada does annually, not just in IT but for a whole suite of activities?

Mr. Kristian Firth: I have no idea.

Mr. Charles Sousa: The outcome and the value for money are the crux of this thing, aren't they? We're all trying to assess who's getting paid, whether somebody is taking privilege in these contracts and whether somebody is milking the system. The Auditor General has stated that there could have been better value for money in this instance, but that didn't occur.

What's your perception of the value for money in this situation, given the pandemic and what took place?

Mr. Kristian Firth: Obviously I can speak only about the component I was working on. I can speak very highly of the team of 30 or 40 people who were working 12 to 14 hours a day, seven days a week. I would challenge anybody to put that much effort in. The prices were substantiated by the Crown. I think the team that was put forward did a great job.

Mr. Charles Sousa: During that process, you had interactions, presumably, with the employer, the buyer, to verify the consequence of what you were doing. Is that correct?

Mr. Kristian Firth: We submit monthly invoices. We don't get a cheque up front. At any time, those invoices can be rejected, or time sheets can be rejected, but the fact that they were approved every single month for 27 to 36 months told us we were doing a good job. Otherwise you guys would not have paid.

Mr. Charles Sousa: You were a verified contractor long before ArriveCAN and long before the Liberal government was in power. Is that correct?

The Chair: Give us just a quick answer, please.

Mr. Kristian Firth: PSPC identified us, before the first COVID contract, as a vendor of good record.

The Chair: Thanks, Mr. Sousa.

Ms. Vignola, go ahead for two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Firth, we find ourselves needing technicians and IT experts more and more these days, and the rise of AI isn't going to reduce that need. About 10 or 12 years ago, the Harper government cut the number of IT workers in government, arguing that it was pointless to pay them if projects weren't being carried out.

You are a consultant, so I assume you can answer this next question. In 2024, is it possible that a government or company would have to pay IT experts for doing nothing? Is that something that could happen in 2024?

• (1410)

[English]

Mr. Kristian Firth: I think it would be hard for the government to sustain a bench of resources with very specific skill sets. I think it would be hard to find the people and make them stay in one position. People like being consultants because they can bump around. I think the model is something between what we have now and

what's currently in place, in which you get your hired guns; you bring them in for a project, and then you let them go. Otherwise you have unions involved and you have benches of resources sitting doing nothing. I think there is a place to continue to have contractors.

[Translation]

Mrs. Julie Vignola: It would be impossible, then, to employ IT workers on a full-time basis. That wouldn't happen anywhere in the world.

The only way to fix the problem, as I see it, is to make sure that departments know what the procurement process is and how to manage it. Let's imagine you aren't involved in this situation, as difficult as it may be. Do departments know how to oversee major projects of any kind?

[English]

The Chair: I'm sorry, Mr. Firth. Please give a brief answer, if you can.

Mr. Kristian Firth: [Technical difficulty—Editor]

The Chair: I think we have you frozen, Mr. Firth.

Give us a couple of seconds, please.

Mr. Taylor Bachrach: I'm sorry, Mr. Chair. I'm not sure if my Internet is unstable right now, but I missed your last prompt there. Were you indicating that it was my turn?

The Chair: No, no. I'm sorry. I think Mr. Firth is frozen, from looking at his screen.

Mr. Taylor Bachrach: I'm not getting any audio. You're on mute, Mr. Chair.

The Chair: No, I'm not, Mr. Bachrach.

Mr. Taylor Bachrach: I can hear you. Can you hear me?

The Chair: Mr. Bachrach, I can hear you well.

Mr. Firth, you're back on. Are you okay just answering the question from Mrs. Vignola?

Mr. Kristian Firth: I'm sorry. I lost the Internet during that part.

The Chair: Okay.

Can you repeat the question, please?

[Translation]

Mrs. Julie Vignola: Let's say you're on the outside looking in. Would you say departments do a good job of overseeing government contracts, especially when it comes to managing and record-keeping? Conversely, do you think they could do a better job to avoid situations like this one?

[English]

Mr. Kristian Firth: Obviously, I can't speak for every department, but these last 18 months I've said that I think CBSA needs some work.

The Chair: Thank you very much.

Mr. Bachrach, now it is your time. Go ahead, sir.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I will use my time, Mr. Chair, to move a motion arising from this study on ArriveCAN, as follows:

That, in light of the recent finding that Dalian Enterprises received \$7.9 million in funding for its work on ArriveCAN while CEO David Yeo was an employee of the Department of National Defence, the committee call on Mr. Yeo as well as the following senior officials from the Department of National Defence: Minister of National Defence Bill Blair, Deputy Minister of National Defence Bill Matthews, Associate Deputy Minister (Materiel) Troy Crosby and Assistant Deputy Minister (Human Resources) Isabelle Desmartis to appear before committee no later than April 1, 2024 for no less than two hours of testimony.

I believe my staff can make that available in writing to the committee.

• (1415)

The Chair: Thanks, Mr. Bachrach. This is different from the February 29 one you had on notice.

Mr. Taylor Bachrach: Yes. I appreciate that.

The Chair: I'm just making sure that's correct.

Are you putting this on notice right now, or are you tabling it?

Mr. Taylor Bachrach: I'd like to move it and, hopefully, get to a vote in the minutes that remain of our meeting.

Thank you.

The Chair: Thanks. I was just clarifying, sir.

Our next speaker-

Mr. Kristian Firth: Mr. Chair, might I speak quickly?

The Chair: No, I'm sorry, Mr. Firth. We're attending to something else, but we'll get to you shortly.

Mr. Kristian Firth: I was going to say that it's been three hours right now, and this is kind of where I think I could be—

The Chair: No, I'm sorry. I have to ask you to stay, Mr. Firth. We may be able to get to our last couple of questioning rounds, so I have to ask you to stand by for a bit here.

Mr. Sousa, your hand is up.

We'll get back to you shortly, Mr. Firth.

Mr. Charles Sousa: Thank you, Mr. Chair.

This is the revised version that's been submitted, is it? I think we're in agreement with what has been put forward.

The Chair: Perfect. We're all in agreement, then, colleagues. That's wonderful.

(Motion agreed to)

The Chair: Mr. Firth, we have just two last interventions, by Mrs. Block and Mr. Bains, but we'll have you out of here shortly.

Mrs. Block, go ahead.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

Really quickly, Mr. Firth, do you have any contracts with provincial governments or any municipal governments at this time?

Mr. Kristian Firth: No, I do not.

Mrs. Kelly Block: Okay. Thank you.

The Auditor General noted that the CBSA identified a resource that was added to one of your task authorizations as a subcontractor. This resource was KPMG. She noted that that was unusual.

This is one of the four largest multinational firms worldwide, yet it was placed on a task authorization form as a subcontractor of your company.

Do you know who approached KPMG to be put in place as a subcontractor of GC Strategies?

Mr. Kristian Firth: No, I don't.

I know who approached me from KPMG, but I don't have it in front of me right now. I can't comment on that. I'm sorry.

Mrs. Kelly Block: Who was your contact at KPMG?

Mr. Kristian Firth: Again, I've already said I'll give you that before five o'clock, in writing, because I'm trying to get out of here.

Mrs. Kelly Block: Okay. At the same time, could you provide us with how much commission you would have earned as a result of that resource being placed on a task authorization form?

Mr. Kristian Firth: Absolutely.

Mrs. Kelly Block: In response to some of the comments that my colleague Mr. Sousa made in his previous intervention, the Auditor General, the procurement ombud and the comptroller general have all indicated that they are deeply concerned about what has been uncovered during this study. They believe that this could be an issue across other departments. In fact, the Auditor General noted two other departments.

There are 10 investigations ongoing with regard to the irregularities, the mismanagement and, I think, what could come down to criminality.

My question for you is whether you are aware of something called "Charbonneau loops", which is a term used in procurement and bidding.

Mr. Kristian Firth: No, I'm sorry. I'm not.

Mrs. Kelly Block: Charbonneau loops ultimately happen "when the 'pool' of companies (receiving public sector contracts for a given type of work) is small enough that the same companies are sometimes overseeing, and sometimes overseen, by their peers in that same pool."

Have you had any conversations with any of the other companies or firms that were bidding on the same contracts as you?

Mr. Kristian Firth: No, I have not.

Mrs. Kelly Block: Thank you very much for that.

Chair, to follow up on my questions around KPMG, I wonder if you can confirm whether we have invited KPMG to appear before our committee and if they have responded.

The Chair: KPMG and all of the subcontractors have been invited, and we're working on dates.

Mrs. Kelly Block: Okay. Thank you very much.

I want to confirm, then.... You said you have done some work in the private sector. I'm not sure if I heard this. Did you provide us with a percentage of the work you do for the government and what percentage is for the private sector?

(1420)

Mr. Kristian Firth: I can speculate to give you an answer, but it would not be 100% accurate. Would you like me to [*Technical difficulty—Editor*]?

I don't have the exact number in front of me. I'm going on approximations. I'm just wondering if you would like me to get you the exact number or an approximation right now.

Mrs. Kelly Block: I'm sorry. I thought you had cut out.

Yes, if you could, provide us with the percentage of work you've done for the public sector. I'm thinking specifically about the federal government, the Government of Canada, because it appears you haven't done any work with other levels of government.

If you could give us the percentage that you have done for the federal government versus the percentage for the private sector, that would be appreciated.

Mr. Kristian Firth: Okay. I will provide that for you.

Mrs. Kelly Block: Thank you.

The Chair: Thanks.

We'll finish up with you, Mr. Bains. **Mr. Parm Bains:** Thank you, Mr. Chair.

Mr. Firth, you said GC Strategies stands for Government of Canada Strategies. Don't you think that's misleading?

Mr. Kristian Firth: Not really. We didn't think so in 2015.

Mr. Parm Bains: You said that you've worked here since 2007. You're not an employee of the government. Does that not give the sense that you solely do work for the Government of Canada? You talked about doing private work as well.

Mr. Kristian Firth: Not really. I mean, we used the acronym GC. We didn't spell out Government of Canada Strategies. It could be open to interpretation. I don't think so.

Mr. Parm Bains: To me, it's misleading. My issue here is that since you've been working here with government offices and public officials in the different departments, since 2007, it appears they've gotten comfortable with you doing the work. You claim you've done great work. That's why you're navigating the processes.

Don't you think that by continuing, as the member before called it, the loop of attaining these contracts over and over, that's an unfair advantage to those who have long-standing experience with government contracts? Others are at a disadvantage because you may be more familiar and comfortable with these officials, who have also been working there for decades. What do you have to say about that?

Mr. Kristian Firth: I'm sorry. I don't understand the question.

Mr. Parm Bains: I just don't like the fact that we have people—

Mr. Kristian Firth: I don't make the decision, do I? I don't make the decision. The government sees value.

Mr. Parm Bains: I don't like the fact that people are getting comfortable receiving these contracts. Then we may have officials who are comfortable with people they may have built relationships with and who keep getting these contracts. Do you believe that's something that's happening here?

Mr. Kristian Firth: I think that....

Mr. Parm Bains: This is since 2007. We're talking from 2007, and now it's 2024. You're still around.

Mr. Kristian Firth: Not anymore.

Mr. Parm Bains: Maybe that's a good decision.

Mr. Kristian Firth: Again, the decisions are made by the government. It obviously sees value in what I do. I've had 65 contracts since 2015.

I believe that if you do a good job, then that becomes recognized. That can become a referral. It can be a feather in your cap. When you go to propose a solution the next time, these are jobs well done. I think it's just sales.

Mr. Parm Bains: I want to go back to earlier, when you said something about the vendors not being screened. You said you had 35 people you subcontracted out to, but that they were not required to be screened. Is that accurate?

Mr. Kristian Firth: No, I said that they actually, specific to ArriveCAN, had two lines of security. There was PSPC security and then CBSA security.

Mr. Parm Bains: They can't speak directly to them. Is that what it is?

Mr. Kristian Firth: No, they can speak directly to them. They cannot give a contract directly to them. They're not qualified vendors.

• (1425)

Mr. Parm Bains: I want to just get some clarity on earlier questions regarding the pay being determined. These 35 subcontractors can't say, "This is my price." They have to fall within a certain....

Mr. Kristian Firth: They can, 100%.

You have the price of the Crown. Whatever price they actually ask for is typically what we give them. That can be anything from zero to the ceiling price. That's where the negotiations happen, which is how the margin is determined. There's no cut-off, saying, "You must get paid this." They get what they ask for. If they want \$1,000, \$1,100 or \$1,200 and their bill rate is full.... This is why the industry standards vary between 15% and 30%.

Mr. Parm Bains: Okay, Mr. Chair, those are all the questions I have. I want to say that I'm looking forward to reviewing these processes. I'm looking forward to seeing the commissioner of the Competition Bureau come before us to see where we need to do things better, considering this has been going on since 2007.

That's all I have for today.

The Chair: Thank you, Mr. Bains.

I thank everyone for sticking with us a bit past time.

Yes, I'll get to you, Mr. Genuis.

Mr. Firth, thanks as well.

Quickly, before you leave, Mr. Firth....

Mr. Genuis, sir.

Mr. Garnett Genuis: Thank you, Chair.

I think you can dismiss the witness, but having heard the totality of his testimony, I think it's important to raise a question of privilege regarding his non-responses.

Thank you.

The Chair: Mr. Firth, we're going to dismiss you right now.

Thank you for your time.

Mr. Kristian Firth: Mr. Chair, can you also ask the clerk to summarize for me what I'm sending back in, please? I will also mention that I won't even be home by five o'clock, so could it be later on in the evening, please?

The Chair: Yes, we'll say by eight o'clock tonight, sir.

Mr. Kristian Firth: I would rather, if it's at all possible, that it be tomorrow morning.

The Chair: Could you by nine o'clock tomorrow morning?

Mr. Kristian Firth: Perfect.

The Chair: We'll do it for nine o'clock, and the clerk will send you an email outlining what we are looking for.

Thanks, Mr. Firth. We will dismiss you.

I see Mr. Bachrach, but Mr. Genuis has a question of privilege, I think, that he's bringing up.

Go ahead, sir.

Mr. Garnett Genuis: Thank you, Chair.

It's simply this. Mr. Firth has refused to answer direct questions that have been put to him by the chair on behalf of this committee. This witness has shown complete disregard for the prerogatives and responsibilities of parliamentary committees when it comes to getting answers for Canadians. I believe that this is a violation of the privileges of this committee, and this needs to be attended to in order to ensure that all parliamentary committees can insist upon responses to direct questions that are asked.

Chair, if you agree that this is an issue of privilege, then I will be prepared to move the appropriate motion.

The Chair: I have looked and I have chatted with the analyst, and I believe it is, sir.

Mr. Garnett Genuis: Thank you, Chair.

My motion is the following:

That the committee instruct the clerk and analysts to prepare a report to the House, which the chair shall table forthwith, outlining the potential breach of privilege concerning Kristian Firth's refusal to answer those questions which the committee agreed to put to him and his prevarication in answering others.

The Chair: Thank you.

The clerk is just sending it out to everyone's P9 right now. I'm happy to suspend for about a minute, until it gets out to everyone.

• (1425) (Pause)____

• (1425)

The Chair: We're back. I understand it's now been received in everyone's P9. I don't see anyone's hand up. Are we in agreement with this, colleagues?

(Motion agreed to)

The Chair: Wonderful.

Mr. Bachrach, you have your hand up, sir, before we adjourn.

Mr. Taylor Bachrach: Thank you, Mr. Chair. Just recognizing that we're right at the end of the meeting, I wonder if you could provide the committee with an update on your efforts to have the Canada Post CEO come before committee as part of our study on rural postal service.

The Chair: Thanks for bringing that up, Mr. Bachrach. I'll be honest that we have reached out repeatedly to Canada Post, and we are not seeing a lot of co-operation on having them attend. We wrote to them again this week, on Monday or Tuesday, and again we have not received a response. I will update the committee, hopefully, at our meeting tomorrow or on Monday. I think we might be at a point at which we need a stronger invitation or a summons or some other form to have the president show up. We've been very flexible in offering various dates. We're just not getting anything back from that side, Mr. Bachrach.

I will update you tomorrow if I have anything, but otherwise it will be on Monday. Then we can perhaps take other steps on Monday. I do understand your concerns. It is an approaching issue we need to get to.

• (1430)

Mr. Taylor Bachrach: Thank you, Mr. Chair. I'll come to our meeting tomorrow with the appropriate preparations to bring the CEO before the committee.

Thank you.

The Chair: Wonderful.

Thank you for bringing that up, Mr. Bachrach. I do appreciate it.

Colleagues, if there's nothing else, then again I will thank our clerk, our analysts and all of our support team for sticking around late.

We are adjourned.

Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Publié en conformité de l'autorité du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.