



Duffy’s lawyer turns up the heat on Wright

Says Harper’s top aides put pressure on senator to pay money he may not have owed

TONDA MACCHARLES
OTTAWA BUREAU

OTTAWA—Stephen Harper and his two top aides drove a “command-and-control” political operation to force Sen. Mike Duffy to repay Senate money he may not have legally owed, Duffy’s lawyer charged Friday. Lawyer Don Bayne conducted an intensely combative cross-examination of Harper’s former chief of staff Nigel Wright on his third day in the witness box at the Duffy fraud trial, with the spotlight squarely on Harper and Ray Novak, Wright’s replacement.

Bayne said Harper, Wright, Novak and others hammered Duffy into paying expenses that he may have had a legal entitlement to claim; ran roughshod over unco-operative Conservative Senate leaders and staff, and were prepared to keep secret a plan to have the Conservative Fund of Canada, the party’s taxpayer-subsidized war chest, pay Duffy’s bill. Duffy’s debt was first pegged at \$32,000 and judged by them to be “inappropriate,” Wright said.

Bayne called it a “fraud” on the public, on Conservative donors, and on taxpayers whose monies then provided public subsidies to political parties.

“The pressure to do this on Sen. Duffy is applied at the highest levels, the chief of staff of the prime minister of Canada, and the prime minister himself, right?” Bayne demanded of Wright.

“Both of us have asked Senator Duffy to repay,” Wright said, while insisting Duffy’s claims were “inappropriate,” therefore “bad politics,” and the repayment was not.

When Duffy’s bill soared to \$90,000, the party backed out and Wright himself gave Duffy the mon-



FRED CHARTRAND/THE CANADIAN PRESS

Sen. Mike Duffy leaves the courthouse in Ottawa on Friday.

ey — a payment that subsequently led to Duffy facing bribery, fraud and breach of trust charges.

Emails in evidence at court at Duffy’s fraud trial show Harper and Novak were directly engaged at the height of Wright’s efforts to, as Novak wrote, “staunch the bleeding.”

Novak, Harper’s longest serving staffer, remains a critical player in Harper’s ever-smaller trusted inner circle and was on the campaign trail with him in the North Friday, where Harper shielded him from any blame in relation to the payment Wright gave Duffy in March 2013 to cover his disputed living expenses.

Evidence shows Wright did copy Novak on an email about the payment — which the Conservative campaign denies Novak read.

Harper and Wright have repeatedly said Wright never told the prime minister about either the plan to have the party pay nor, later, Wright’s payment decision.

Wright said as the number two

staffer Novak was “entitled to know what was going on.” He disagreed with Bayne’s suggestion that Novak was a “surrogate” for the prime minister or was involved to provide “plausible deniability” for the prime minister. But it became clear Novak and Harper were well in the loop as the Duffy affair came to a head in February 2013.

Bayne pointed to a key email written by Novak, which quoted Harper saying he “felt strongly” after reading a Feb. 18 memo that said his staff believed Conservative senators were bungling PMO’s effort to have Duffy repay. Certain Tory senators had agreed to review the definition of constitutional qualification for Senate seats with an eye on a new residency test — one that Conservative senators Pamela Wallin and Dennis Patterson might not meet.

“Had I known we were going down this road I would have shut it down long before this memo,” Harper wrote to Novak.

Harper stands by chief of staff despite Duffy expense emails

Ray Novak never saw plans to reimburse senator, claims Tory spokesman

JOANNA SMITH
OTTAWA BUREAU

OTTAWA—Conservative Leader Stephen Harper stood by his chief of staff, Ray Novak, as evidence in court suggested his senior aide was kept in the loop about a plan to have Nigel Wright reimburse Sen. Mike Duffy’s inappropriate expenses.

“These are the actions of Mr. Duffy and Mr. Wright. You hold people responsible for their own actions. You certainly don’t hold subordinates responsible for the actions of their superiors. These are the two people responsible and they are being held accountable,” Harper said Friday during a campaign stop in Hay River, N.W.T.

Novak, a longtime aide to Harper, was promoted to chief of staff when Wright left the post four days after Canadians learned he had personally given Duffy \$90,172 in February 2013 to reimburse inappropriate living expenses.

Emails released his week as evidence presented at the trial of Duffy show that Novak was kept in the loop on much of the plan to have Duffy — then a high-profile member of the Conservative caucus — tell Canadians he would repay the money, blaming the mistake on ambiguous expense forms, in exchange for an investigation into his living expenses being rendered moot, and assurances his eligibility to sit as a senator for P.E.I. would not be in doubt.

The original plan was to have the Conservative party cover the expenses, but they balked when they discovered Duffy owed nearly three times as much as they originally thought, according to court documents. Duffy has pleaded not guilty to 31 charges of fraud, bribery and breach of trust and the trial is ongoing. Wright was investigated by the RCMP but never charged.

In an email addressed to Novak and Benjamin Perrin, then legal counsel for the PMO, on March 23, 2013, Wright wrote: “I will send my cheque on Monday.”

Conservative campaign spokesman Kory Teneycke told reporters Thursday that Novak never saw that particular email.

“This wasn’t a file that Ray was ever managing or particularly a part of and he was unaware,” Teneycke told The Canadian Press.



SEAN KILPATRICK/THE CANADIAN PRESS

“The reality is that there are two people who are responsible: (Novak’s) superior, Mr. Wright, and Mr. Duffy,” Stephen Harper said Friday.

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Harper rejected the premise of questions Friday that Novak had been involved in deceiving the public, or hiding the truth of the situation from Harper.

“The reality is that there are two people who are responsible: his superior, Mr. Wright, and Mr. Duffy. They are being held accountable for their actions,” Harper said Friday.

Harper was also reminded by a reporter that even after the truth of Wright’s involvement had been made public, cabinet ministers continued to say in the House of Commons that Wright was the only person who knew and there were no documents regarding the transaction.

“Why did you allow that to contin-

ue when you knew that it wasn’t the truth (and) that there were more people involved?” Harper was asked.

“We were all told that Mr. Duffy had repaid his expenses. Mr. Duffy said that on national television, he had borrowed money from the bank, etc.,” Harper said, referring to a statement Duffy had provided to CTV News as it was investigating the story that it was in fact Wright who had paid.

“That is what we all understood to be the truth. That is what the vast majority of, that’s not only what the entire caucus thought, and I thought, that’s what the vast majority of our staff also believed was the case,” Harper said.

Earlier Friday, New Democrat Leader Thomas Mulcair shared his disbelief that Novak did not read the email.

“There is no credibility whatsoever to that. I’m going to let Canadians decide that one. That is part of this election campaign,” Mulcair said at a campaign stop in Toronto.

ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF UNION GAS LIMITED

Union Gas Limited has applied for approval to change its gas commodity, storage and transportation rates effective January 1, 2016.

Learn more. Have your say.

Union Gas Limited has applied to change its rates to better reflect how it supplies natural gas to its customers. The proposed changes include the following:

- A change in the reference price used to set rates on a quarterly basis for a majority of its customers; and
- A change to how it allocates costs to the different types of customers that it serves.

An average residential customer would see the following annual bill impact, but these impacts would only start in 2018:

Residential Customer – Service Area	Approximate Bill Impact
Southern Ontario (Windsor to Hamilton) Northern Delivery Area (North Bay to Kapuskasing) All Other Delivery Areas	Decrease of \$20 Increase of \$26 Decrease of \$1.50 – \$51.50

Other customers in Union Gas Limited’s service area, including businesses, will also be affected.

THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider the application filed by Union Gas.

We will question Union Gas on the case. We will also hear arguments from individuals and from groups that represent the customers of Union Gas. At the end of this hearing, the OEB will decide whether to approve the changes that Union Gas has requested in this application.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review the application filed by Union Gas on the OEB’s website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **August 25, 2015** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB’s decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2015-0181**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, please select the file number **EB-2015-0181** from the list on the OEB website: www.ontarioenergyboard.ca/notice. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **August 25, 2015**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and e-mail address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This hearing will be held under section 36 of the Ontario Energy Board Act, 1998, S.O. 1998 c.15 (Schedule B).

