



[This is an English version of the report originally transmitted in French to Montréal City Council on March 23, 2017]

**Rescinding and Recommendations
Concerning Various Contracts Awarded
by Boroughs for the Rental of Tow Trucks
with Operators During Snow Removal
Operations – Monitoring Following the
Decision of September 26, 2016**

(s. 57.1.10 of the Charter of Ville de Montréal)

March 23, 2017

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SUMMARY

On September 26, 2016, the Inspector General rendered a decision in which he concluded that Jean-Marc Lelièvre, president of Remorquage Taz inc., Steve Lenfesty, president of Remorquage Mobile, and Réal Tourigny, president of Auto Cam 2000, had colluded in several calls for tenders for the award of contracts for the rental of tow trucks during snow clearing operations. The investigation had shown that these contractors had divided certain contracts among themselves and submitted bids after communicating with each other and with other contractors to find out their respective intentions concerning these calls for tenders and the prices they planned to submit.

Since the contractors violated the provisions of the City's Contract Management Policy (Politique de gestion contractuelle) (CMP), which forms an integral part of the tender documents, the Inspector General, on his initiative – pursuant to section 57.1.10 of the Charter of Ville de Montréal – rescinded the contracts still in progress. The Inspector General also recommended that the contractors be excluded from public tenders and from contracts by mutual agreement with the City for five (5) years. Thus, on November 21, 2016, the City Council added Jean-Marc Lelièvre, Steve Lenfesty, Réal Tourigny and their respective companies – Remorquage Taz inc., Remorquage Mobile and Auto Cam 2000 – to the Register of Persons Excluded Pursuant to the CMP (Registre des personnes écartées en vertu de la politique de gestion contractuelle) until September 25, 2021.

The Office of Inspector General then closely monitored these contractors' activities to ensure they did not attempt to again obtain City contracts. This monitoring led the Office of Inspector General to look into a series of contracts awarded by various boroughs since publication of the decision of September 26, 2016 to the following companies, which had never before worked in the vehicle towing business: Excavation Anjou inc., 9499237 Canada inc. and Remorquage BL (9335-5139 Québec inc.).

The facts gathered show that various fraudulent tactics within the meaning of section 17 of the City's Contract Management Policy were used in calls for tenders 16-15650 and 16-15716 to enable Jean-Marc Lelièvre (Remorquage Taz inc.), Steve Lenfesty (Remorquage Mobile) and Réal Tourigny (Auto Cam 2000) to continue obtaining City contracts from the, despite their exclusion.

As it turns out, Réal Tourigny (Auto Cam 2000) arranged with his wife, Brigitte Lévesque, to buy the tow trucks belonging to Auto Cam 2000 through Remorquage BL (9335-5139 Québec inc.), a company initially created and headed by Réal Tourigny but inactive at the time of the purchase. The investigation showed that Brigitte Lévesque then acquired the company free of charge. After removing Réal Tourigny from the list of officers and shareholders, she proceeded to buy the tow trucks, while Auto Cam 2000 provided all the financing needed to carry out the towing contracts obtained from the City.

Similarly, Excavation Anjou inc. was a front for Jean-Marc Lelièvre and Remorquage Taz inc., and the company's towing contracts were carried out by Jean-Marc Lelièvre, who signed an agreement to this effect with Yvan Dubé, the president and majority shareholder of Excavation Anjou inc.

Lastly, the Inspector General's investigation showed that 9499237 Canada inc. was a front for Steve Lenfesty and Remorquage Mobile. The purpose of the agreement between Steve Lenfesty and Raymond Lizotte, president of 9499237 Canada inc., was for 9499237 Canada inc. to rent the tow trucks used to carry out the contracts obtained from the City from Remorquage Mobile, a company listed in the Register of Persons Excluded Pursuant to the CMP which could not be used as a subcontractor, thus violating section 19 of the CMP. Furthermore, the investigation showed that 9499237 Canada inc. provided the City with false information and documents with forged signatures to hide the fact that Remorquage Mobile was a subcontractor of 9499237 Canada inc.

In the Inspector General's view, these arrangements constitute fraudulent tactics aimed at concealing the identity of the individuals carrying out the contracts from the City. Their goal was to allow contractors listed

in the Register of Persons Excluded Pursuant to the CMP to continue their towing operations for the City, through new companies, as if nothing had happened.

The cumulative conditions set out in section 57.1.10 of the Charter of Ville de Montréal are met. The bids submitted by Excavation Anjou inc., 9499237 Canada inc. and Remorquage BL violate the tender documents' requirements, more specifically, the City's CMP. In the Inspector General's view, the facts revealed during the investigation clearly show the fraudulent tactics employed by Jean-Marc Lelièvre (Remorquage Taz inc.) and Yvan Dubé (Excavation Anjou inc.), by Steve Lenfesty (Remorquage Mobile) and Raymond Lizotte (9499237 Canada inc.), and by Réal Tourigny (Auto Cam 2000) and Brigitte Lévesque (Remorquage BL/9335-5139 Québec inc.).

These fraudulent tactics were used not only to allow the contractors listed in the Register of Persons Excluded Pursuant to the CMP to continue obtaining contracts from the City, but worse yet, to get back the sectors in which they had been awarded contracts that were rescinded following the Inspector General's decision of September 26, 2016. The contractors' actions are not only an affront to the Inspector General's decisions but also to the measures implemented by the City.

*In the opinion of the Inspector General, the facts revealed by the investigation unquestionably justify the rescinding **of all contracts awarded by the City** to Excavation Anjou inc., 9499237 Canada inc. and 9335-5139 Québec inc., and the exclusion of these companies and Yvan Dubé, Raymond Lizotte and Brigitte Lévesque, as well as the companies with which they are associated, from all calls for tenders and contracts by mutual agreement with the City for five (5) years.*

The Inspector General deplors that the CMP does not provide additional penalties for persons already excluded for a period from contracting with the City who, during such period, again use tactics violating the policy's provisions. Furthermore, the Inspector General notes that Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny were not subject to the CMP in calls for tenders 16-15650 and 16-15716, as they are not considered as successful bidders' "associates" within the meaning of the policy.

As such, the Inspector General strongly recommends that the City revisit its CMP and evaluate potential remedies and penalties against Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny.



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1. Scope of work

1.1 *Warning*

Under section 57.1.8 of the *Charter of Ville de Montréal* (CQLR c C-11.4) (hereinafter: the Charter), the Inspector General has the mandate to oversee contracting processes and the carrying out of contracts by the City or by an associated legal person.

The Inspector General does not conduct any criminal investigations. He conducts investigations of an administrative nature. In this report, wherever the term “investigation” is used, it means an investigation of an administrative nature and under no circumstances should it be interpreted as referring to a criminal investigation.

1.2 *Applicable standard of proof*

The Inspector General places upon himself the obligation to deliver quality reports that are timely, objective, accurate and presented in a manner to ensure that the individuals and organizations under his jurisdiction are able to act on the information provided.

Consequently, in support of his opinions, reports and recommendations, the Inspector General imposes upon himself the burden of proof of the civil standard of the balance of probabilities.¹

In performing his judicial duties, as in the case at hand,² the Inspector General will apply this standard *a fortiori*.

2. Context of the Investigation

2.1 *Background of the Inspector General's decision of September 26, 2016*

On September 26, 2016, the Inspector General rendered a decision to rescind certain contracts awarded by boroughs for the rental of tow trucks with operators to remove vehicles during snow clearing operations.³ In this decision, he recommended that certain

¹ Evidence is sufficient if it renders the existence of a fact more probable than its non-existence (see Article 2804 of the *Civil Code of Québec*).

² Use of the powers provided in section 57.1.10 of the *Charter of Ville de Montréal*.

³ Rescinding and Recommendations Concerning Various Contracts Awarded by Boroughs for the Rental of Tow Trucks with Operators During Snow Clearing Operations, September 26, 2016, available online:



companies and individuals be excluded from contracting with the City for the next five (5) years.

Indeed, the Inspector General's investigation had found collusive bidding by *Remorquage Taz inc.* (9147-1953 Québec inc.), *Remorquage Mobile* (9273-5893 Québec inc.) and *Auto Cam 2000* (9096-1681 Québec inc.) in response to several calls for tenders, in violation of the Contract Management Policy of *Ville de Montréal* (hereinafter: CMP) then in effect. The presidents of these companies (respectively, Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny) – who signed the bids – had admitted dividing among themselves certain City contracts involving the rental of tow trucks for snow clearing operations.

Jean-Marc Lelièvre, Réal Tourigny and Steve Lenfesty had also confirmed that they talked before and during the tender publication period to share information about the price and number of tow trucks they planned to offer, and to find out on which contracts the others were going to bid. Réal Tourigny said that he and Jean-Marc Lelièvre had already agreed that they would not bid against each other on certain contracts.

The investigation had shown that there was "mutual respect" between the three (3) contractors, and that they would not bid on contracts that they felt [TRANSLATION] "belonged" to one of them.

At the end of the investigation, the Inspector General had concluded that, in call for tenders 15-14685 issued by the Plateau-Mont-Royal borough, the three (3) contractors had agreed to share the three (3) borough sectors and promised not to bid against each other to ensure that each of them would obtain one (1) contract.

In calls for tenders 15-14616, 14-13814 and 13-13147 issued by the Verdun borough, the investigation showed that since 2013, Steve Lenfesty and Réal Tourigny had agreed to submit the same hourly rate per unit, thus circumventing the rules and allowing them to obtain contracts at a higher price than they would have obtained under conditions of free competition.

Lastly, in call for tenders 15-14538 issued by the Villeray–Saint-Michel–Parc-Extension borough and call for tenders 14-14050 issued by the Ville-Marie borough, Jean-Marc Lelièvre had confirmed that he had called his competitors to find out on which contracts they intended to bid, how much they intended to bid and how many tow trucks they planned to offer.

In the Inspector General's view, the schemes described and used by the contractors constitute genuine fraudulent tactics that allowed them to circumvent the public tender process, unduly reduce the number of bidders, and prevent the City and the boroughs from obtaining the best service at the best price.

https://www.bigmtl.ca/wp-content/uploads/2016/06/revoking-recommendations-contracts-boroughs-rental-tow-trucks-snow-removal_20160926.pdf

Considering these facts, and pursuant to section 57.1.10 of the Charter, the Inspector General decided, on his initiative, to rescind the following three (3) contracts, all awarded to *Remorquage Taz inc.* These were the only contracts still in progress when he delivered his decision:

- The contract awarded by the Rivière-des-Prairies–Pointe-aux-Trembles borough following call for tenders 15-14685;
- The contract awarded by the Villeray–Saint-Michel–Parc-Extension borough following call for tenders 15-14538; and
- The contract awarded by the Ville-Marie borough following call for tenders 14-14050, in the event the contract is renewed.

In this decision, the Inspector General also recommended that, in accordance with the CMP's provisions, the three (3) companies, their respective presidents and any associate of these companies be excluded from all public tenders, subcontracts and contracts by mutual agreement with the City for five (5) years as of the date of his decision.

2.2 Outcome of the decision of September 26, 2016

In accordance with the decision rendered by the Inspector General, in October 2016 the Rivière-des-Prairies–Pointe-aux-Trembles, Villeray–Saint-Michel–Parc-Extension and Ville-Marie boroughs all rescinded the contracts awarded to Remorquage Taz inc. and, between December 2016 and February 2017, each of these boroughs re-issued calls for tenders with a view to awarding the contracts to new contractors.⁴

Moreover, other boroughs that had contracts with one of the three (3) contractors affected by the decision rescinded their contracts, even though they were not covered by the Inspector General's investigation.

As such, on December 5, 2016, the Rosemont–La Petite-Patrie borough rescinded the contract awarded to Auto Cam 2000 following call for tenders 15-14628 and on January 16, 2017, the LaSalle borough did the same with respect to the two (2) contracts awarded to Remorquage Mobile following call for tenders 15-14685 and 15-14622.⁵

On November 21, 2016, the City Council implemented the Inspector General's recommendation that the contractors, their presidents and any of their associates be excluded from all public tenders, subcontracts and contracts by mutual agreement with the City for a period of five (5) years.⁶ Going forward, these individuals and companies will

⁴ See borough council resolutions CA16 30 120421, CA16 14 0370, CA17 24 0012 and CA17 24 0013.

⁵ See borough council resolutions CA16 26 0336 and CA17 20 0018.

⁶ CM16 1256.



be listed in the Register of Persons Excluded Pursuant to the CMP until September 25, 2021:

- Jean-Marc Lelièvre and the following companies with which he is associated as officer, shareholder or director: *Remorquage Taz inc.*, 9147-1953 Québec inc. and *Sciage de béton Métropole inc.*
- Steve Lenfesty and the following companies with which he is associated as officer, shareholder or director: *Remorquage Mobile*, 9273-5893 Québec inc. and *Carrosserie S.E.*
- Réal Tourigny and the following companies with which he is associated as officer, shareholder or director: *Auto Cam 2000*, 9096-1681 Québec inc. and *Carrosserie Rapido Auto.*

2.3 Sectors in which *Remorquage Taz inc.*, *Remorquage Mobile* and *Auto Cam 2000* operated before their exclusion

The following table shows the sectors in which *Remorquage Taz inc.*, *Remorquage Mobile* and *Auto Cam 2000* operated before they were listed in the Register of Persons Excluded Pursuant to the CMP:

SUCCESSFUL BIDDER	BOROUGH
<i>Remorquage Taz inc.</i>	Rivière-des-Prairies–Pointe-aux-Trembles (call for tenders 15-14685 - 3 tow trucks)
	Villeray–Saint-Michel–Parc-Extension (call for tenders 15-14538 - 4 tow trucks)
	Ville-Marie (call for tenders 14-14050 - 6 tow trucks)
	Plateau-Mont-Royal (call for tenders 15-14685 - 3 tow trucks)
<i>Auto Cam 2000</i>	Rosemont–La Petite-Patrie (following call for tenders 15-14628 - 6 tow trucks)
	Plateau-Mont-Royal (call for tenders 15-14685 - 3 tow trucks)
	Verdun (call for tenders 15-14616 – 2 tow trucks)
<i>Remorquage Mobile</i>	Sud-Ouest (call for tenders 13-13149 - 4 tow trucks)
	Côte-des-Neiges–Notre-Dame-de-Grâce (call for tenders TP-TECH-2011-16 - 4 tow trucks)
	LaSalle (calls for tenders 15-14685 and 15-14622 - 4 tow trucks)
	Montréal-Nord (call for tenders 15-14685)
	Plateau-Mont-Royal (call for tenders 15-14685 - 3 tow trucks)
	Verdun (call for tenders 15-14616 – 1 tow truck)

To ensure compliance with the measures imposed, the Inspector General began monitoring the activities of Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny. It did not take long for the Inspector General to realize that Jean-Marc Lelièvre, Steve Lenfesty



and Réal Tourigny had each made arrangements with friends or spouses, respectively, Yvan Dubé (president of *Excavation Anjou inc.*), Raymond Lizotte (president of 9499237 Canada inc.) and Brigitte Lévesque (currently president of *Remorquage BL*).

These arrangements were made to allow the contractors affected by the decision of September 26, 2016 to circumvent their listing in the Register of Persons Excluded Pursuant to the CMP and continue obtaining City contracts through other companies which, incidentally, were not in the towing business.

The facts presented in this decision summarize the fraudulent tactics used by these contractors.

2.4 Notices to interested parties

In accordance with his duty of procedural fairness, before releasing the findings of his investigation, the Inspector General sent a Notice to Interested Party to the parties concerned (hereinafter: the Notice).

Thus, on March 1, 2017, the following contractors received a copy of the Notice apprising them of the relevant facts gathered during the investigation and giving them the opportunity to make their comments and representations in writing to the Office of Inspector General:

- Jean-Marc Lelièvre (*Remorquage Taz inc.*);
- Steve Lenfesty (*Remorquage Mobile*);
- Réal Tourigny (*Auto Cam 2000*);
- Yvan Dubé (*Excavation Anjou inc.*);
- Raymond Lizotte (9499237 Canada inc.); and
- Brigitte Lévesque (*Remorquage BL*).

On March 10, 2017, the Office of Inspector General received a response to the Notice from Brigitte Lévesque, in her capacity as president of *Remorquage BL*. For its part, *Excavation Anjou inc.* sent its response to the Office of Inspector General through its lawyer on March 17, 2017. The facts and arguments submitted by these contractors were considered by the Inspector General and addressed in this decision.

However, the Office of Inspector General did not receive a response from the other contractors.



3. Contracts covered by the Inspector General's investigation

During its investigation, the Office of Inspector General examined various tow-truck rental contracts for snow clearing operations awarded to *Excavation Anjou inc.*, 9499237 Canada inc. and *Remorquage BL* (9335-5139 Québec inc.) since publication of the decision of September 26, 2016, which recommended that Jean-Marc Lelièvre, Steve Lenfesty, Réal Tourigny and their respective companies be excluded from contracting with the City for a period of five (5) years.

Various boroughs awarded *Excavation Anjou inc.*, 9499237 Canada inc. and *Remorquage BL* contracts following public tenders as well as contracts by mutual agreement.

Call for tenders 16-15650 was posted on the Québec government's Electronic Call for Tenders System (Système électronique d'appel d'offres du gouvernement du Québec (hereinafter: SÉAO) on October 12, 2016. The purpose of the tender was to award towing contracts for snow clearing operations for the 2016-2017 and 2017-2018 winter seasons in various boroughs. The City wanted to rent a total of forty (40) tow trucks with operators during snow clearing operations in nine (9) boroughs. The bid opening took place on October 31, 2016 and the City received six (6) bids.

Excavation Anjou inc. submitted a bid offering twenty (20) tow trucks in six (6) of the boroughs covered by the call for tenders. The company was awarded contracts for fifteen (15) of these tow trucks.

Call for tenders 16-15716 was posted on SÉAO on November 9, 2016. Its purpose was also to award towing contracts for snow clearing operations in various boroughs. The City wanted to rent a total of twenty-four (24) tow trucks with operators for six (6) boroughs. The bid opening took place on November 28, 2016 and the City received eight (8) bids.

Excavation Anjou inc. submitted a bid offering four (4) tow trucks in two (2) boroughs and was awarded one (1) contract for two (2) of its tow trucks.

Meanwhile, 9499237 Canada inc. submitted a bid of six (6) tow trucks in two (2) boroughs. The company was awarded two (2) contracts for all the tow trucks in its bid.

Lastly, *Remorquage BL* submitted a bid offering nineteen (19) tow trucks in five (5) boroughs. The company was awarded four (4) contracts for a total of eleven (11) tow trucks.

The following table summarizes the contracts obtained by *Excavation Anjou inc.*, 9499237 Canada inc. and *Remorquage BL* following these public tenders.

Successful Bidder	Call for Tenders Number	Borough	Award Date	Validity Period	Number of Tow Trucks	Estimated Contract Value (Taxes Included)
<i>Excavation Anjou inc.</i>	16-15650	Villeray–Saint-Michel–Parc-Extension	Dec. 5, 2016	2016-2020	4	\$544,521.60
		Plateau-Mont-Royal	Dec. 5, 2016	2016-2018 1-year option	3	\$313,364.36
		Rosemont–La Petite-Patrie	Dec. 6, 2016	2016-2019 1-year option	2	\$108,996.30
		Rivière-des-Prairies–Pointe-aux-Trembles	Dec. 15, 2016	2016-2017 1-year option	2	\$73,510.42
		Ville-Marie	Feb. 14, 2017	2016-2018	4	\$231,789.60
16-15716	Montréal-Nord	Dec. 16, 2016	2016-2017 2-year option	2	\$45,415.13	
9499237 Canada inc.	16-15716	Sud-Ouest	Dec. 15, 2016	2016-2018 2-year option	4	\$268,581.60
		Côte-des-Neiges–Notre-Dame-de-Grâce	Jan. 16, 2017	2016-2018 2-year option	2	\$212,473.00
<i>Remorquage BL</i>	16-15716	Montréal-Nord	Dec. 16, 2016	2016-2017 2-year option	1	\$22, 995.00
		Rosemont–La Petite-Patrie	Dec. 16, 2016	2016-2019 1-year option	4	\$220,752.00
		Côte-des-Neiges–Notre-Dame-de-Grâce	Dec. 16, 2016	2016-2018 2-year option	2	\$220,752.00
		LaSalle	Feb. 20, 2017	2016-2017 3-year option	4	\$91,980.00

Moreover, the three (3) contractors were awarded several contracts by mutual agreement by various boroughs to tow vehicles during specific snow loading operations.⁷

⁷ *Excavation Anjou inc.* was awarded contracts by mutual agreement by the Rivière-des-Prairies–Pointe-aux-Trembles and Ville-Marie boroughs.



The Inspector General wishes to point out that 9499237 Canada inc. is also a subcontractor offering towing services on behalf of three (3) companies that were awarded snow removal City contracts in the Ahuntsic-Cartierville, Ville-Marie and Villeray–Saint-Michel–Parc-Extension boroughs. A total of eight (8) tow trucks belonging to 9499237 Canada inc. were assigned to these operations since the start of the 2016-2017 winter season.

4. Towing contracts obtained by Remorquage BL

The Inspector General's investigation leads to the conclusion that in actual fact, the purpose of the agreement between Réal Tourigny and Brigitte Lévesque was to allow Auto Cam 2000 to continue its towing operations and obtain contracts from the City despite being listed in the Register of Persons Excluded Pursuant to the CMP.

4.1 Agreement between Réal Tourigny (Auto Cam 2000) and Brigitte Lévesque (Remorquage BL)

4.1.1 Nature of the agreement and purchase of tow trucks from Auto Cam 2000

Brigitte Lévesque and Réal Tourigny have been common-law spouses for over fifteen (15) years. The agreement between Brigitte Lévesque and Réal Tourigny concerned the purchase of the tow trucks belonging to *Auto Cam 2000*.

In fact, *Remorquage BL*, whose sole director and shareholder is – as of the date of this decision – Brigitte Lévesque, agreed to purchase the tow trucks of *Auto Cam 2000* on the condition that she obtain towing contracts from the City.

This is confirmed by the documentary evidence gathered during the investigation. Indeed, the tender documents submitted by *Remorquage BL* in response to call for tenders 16-15716 included a letter dated November 21, 2016 signed by both Brigitte Lévesque and Réal Tourigny. The letter stipulates that *Remorquage BL* agrees to buy *Auto Cam 2000*'s tow trucks provided that *Remorquage BL* obtain contracts. However, no specific tow truck is mentioned in the letter.

On February 1, 2017, the Office of Inspector General accessed twelve (12) tow truck sales contracts. All dated November 25, 2016, these contracts state that the tow trucks will be delivered to *Remorquage BL* on December 13, but do not provide any payment terms. On

9499237 Canada inc. was awarded contracts by mutual agreement by the Côte-des-Neiges–Notre-Dame-de-Grâce and Sud-Ouest boroughs.

Remorquage BL was awarded contracts by mutual agreement by the Rosemont–La Petite-Patrie, Côte-des-Neiges–Notre-Dame-de-Grâce, Montréal-Nord and LaSalle boroughs.

February 7, 2017, the Office of Inspector General obtained two (2) additional contracts, also dated November 25, 2016, indicating the same delivery date for the tow trucks. Here again, no payment terms are provided.

The fourteen (14) tow trucks belonging to *Auto Cam 2000* were sold to *Remorquage BL* for \$146,431.33, taxes included.

Brigitte Lévesque explained that starting a business is expensive and admitted that *Remorquage BL* did not have the money to buy the tow trucks from *Auto Cam 2000*. Therefore, under the agreement between the two (2) spouses, Réal Tourigny would finance Brigitte Lévesque to start her towing business. Réal Tourigny confirmed this fact to the Office of Inspector General, stating: [TRANSLATION] "I put up all the money to get it started, but she's going to pay me back."

The issue of *Auto Cam 2000* financing *Remorquage BL* will be discussed in greater detail in section 6.3. However, for now, suffice it to say that by Réal Tourigny's own admission, he never discussed any financing terms with Brigitte Lévesque and that as of February 1, 2017, *Auto Cam 2000* had still not been paid for the tow trucks by *Remorquage BL*, even though the ownership transfer with the Quebec Automobile Insurance Agency (*Société de l'assurance automobile du Québec*) (hereinafter: SAAQ) had been completed.

4.1.2 Context of *Remorquage BL*'s creation

Remorquage BL is a company initially listed in the Québec Enterprise Register (*Registre des entreprises du Québec*) (hereinafter: REQ) under 9335-5139 Québec inc.

9335-5139 Québec inc. was created on January 15, 2016 at which point the name *Remorquage BL* did not yet appear in the Register. At the time, the president of the company was Réal Tourigny, who held this position until August 1, 2016. Brigitte Lévesque confirmed to the Office of Inspector General that she was not involved in the company when it was created.

Based on the information in the REQ, Brigitte Lévesque was president of 9335-5139 Québec inc. and became its sole shareholder on August 1, 2016.

However, when interviewed by the Office of Inspector General, Brigitte Lévesque said that she became president and sole shareholder of 9335-5139 Québec inc. on November 9 or 10, 2016. According to her, this is when she added the name "*Remorquage BL*" to the REQ.

When confronted with the listings in the REQ, Brigitte Lévesque maintained her version of the facts and said that no matter what was written in the register, she only became president on November 9 or 10, 2016.

The Office of Inspector General's verifications in this regard lead to the conclusion that Brigitte Lévesque's version is the most credible. The Office of Inspector General obtained a copy of documents from the Québec Revenue Agency (*Revenu Québec*) and the Canada Revenue Agency. An acknowledgement of receipt from the Québec Revenue



Agency confirms that information concerning the registration of *Remorquage BL* (9335-5139 Québec inc.) as a start-up was sent on November 10, 2016. In a letter dated November 21, 2016, the Québec Revenue Agency and the Canada Revenue Agency confirm that 9335-5139 Québec inc. was registered by phone for GST/HST and QST accounts.

Brigitte Lévesque told the Office of Inspector General that she never had to pay Réal Tourigny to acquire 9335-5139 Québec inc.

When asked why she acquired 9335-5139 Québec inc., Brigitte Lévesque admitted that it was because of the decision published by the Inspector General in September 2016 recommending that Réal Tourigny and *Auto Cam 2000* be excluded from contracting with the City for five (5) years. She said that had it not been for this report, Réal Tourigny would probably have kept the tow trucks belonging to *Auto Cam 2000* and he would have bid on the City contracts himself.

According to Réal Tourigny, the idea came from a lawyer, who said: [TRANSLATION] "Why doesn't Brigitte open a towing company in her name?"

At this stage, it bears mentioning that before the contracts were awarded following call for tenders 16-15716, *Remorquage BL* (9335-5139 Québec inc.) had never worked in the towing business.

4.1.3 Opening of bids for call for tenders 16-15716

During the investigation, a witness stated that both Réal Tourigny and Brigitte Lévesque were present at the public bid opening for call for tenders 16-15716 on November 28, 2016. This witness, who attended the bid opening, said that the two did not sit together.

The witness explained that when the clerk announced the bid price and that on certain contracts, *Remorquage BL* was the lowest bidder, Réal Tourigny looked at Brigitte Lévesque and exclaimed, [TRANSLATION] "We got it!"

Later, the witness said he saw Réal Tourigny and Brigitte Lévesque leave together in the same vehicle.

Questioned on the bid opening, Brigitte Lévesque confirmed that both Réal Tourigny and she were present. However, although she maintained that Réal Tourigny stayed in the entrance hall and was not in the room where the bids were opened, she admitted leaving with him.

4.2 Remorquage BL: a front for Auto Cam 2000

4.2.1 Status of Remorquage BL when the bids were submitted

The investigation showed that even after the bids for call for tenders 16-15716 were submitted, Brigitte Lévesque had no idea how her company would operate and how she would carry out the City towing contracts.

Interviewed on December 1, 2016, that is, after submitting *Remorquage BL*'s bid in response to call for tenders 16-15716 and attending the bid opening, Brigitte Lévesque admitted to the Office of Inspector General, more than once, that her company was in the process of starting up and still existed only on paper. She said that *Remorquage BL* was not yet conducting business and had not hired any employees.

On December 1, 2016, Brigitte Lévesque admitted that *Remorquage BL* had still not found premises for its operations.

That same day, she admitted not knowing how much the tow trucks would cost. She said she wasn't [TRANSLATION] "there yet." She explained that she did not know how she would pay *Auto Cam 2000* for the tow trucks and simply assumed that she would owe the company money.

To explain why she didn't know the price of the tow trucks, Brigitte Lévesque maintained that the decision to start *Remorquage BL* was made too fast, stating that it was a [TRANSLATION] "snap decision."

Yet, the fourteen (14) contracts for the purchase of *Auto Cam 2000*'s tow trucks by *Remorquage BL* are all dated November 25, 2016 and indicate the purchase price.

4.2.2 The company's operation

The investigation showed that to carry out the contracts obtained from the City, *Remorquage BL* operated exactly as *Auto Cam 2000*. Based on the testimonies obtained, *Auto Cam 2000* simply continued its operations under the name *Remorquage BL*.

Brigitte Lévesque explained to the Office of Inspector General that she has been working as administrative secretary and receptionist at *Auto Cam 2000* since 2002. She said she handles all the bids submitted by the company, including their preparation, sealing and submission on the required date. Brigitte Lévesque added that she is responsible for billing the City, deposits, and placing ads in newspapers. She is also signatory of the company's business account and handles all of *Auto Cam 2000*'s paperwork and accounting.

Brigitte Lévesque plays an important role at *Auto Cam 2000*, as she says: "I handle the entire process," pointing out that Réal Tourigny has [TRANSLATION] "never done any paper work in his life." Réal Tourigny confirmed these facts. He said: [TRANSLATION] "She has always prepared the bids and handled the paper work."



During the investigation, Brigitte Lévesque revealed to the Office of Inspector General that she was still working for *Auto Cam 2000* on February 1, 2017, earning \$340 a week.

On February 1, 2017, Brigitte Lévesque said that except for the fact that she is now a shareholder of *Remorquage BL*, her role and responsibilities are the same as at *Auto Cam 2000*.

On December 1, 2016, when asked about the role Réal Tourigny would play if *Remorquage BL* obtained towing contracts from the City, Brigitte Lévesque was quick to reply that he would help her. Her comments in this regard speak volumes:

[TRANSLATION] "Of course, he's going to help me because, let's be honest, I don't know a thing about towing. So, of course he's going to help me."

Brigitte Lévesque added that Réal Tourigny would still continue working for and being paid by *Auto Cam 2000*. For his part, Réal Tourigny claimed that he held no role at *Remorquage BL*.

On February 1, 2017, Brigitte Lévesque changed her story and said that Réal Tourigny did not help carry out the towing contracts obtained by *Remorquage BL*. However, she said that he helped her with the mechanical maintenance of the tow trucks, ordering of parts, and dispatching.

On December 1, 2016, Brigitte Lévesque designated a person to oversee the drivers. It appears that this individual performs the same function at *Auto Cam 2000*. On February 1, 2017, Brigitte Lévesque told representatives of the Inspector General that the manager works for both *Auto Cam 2000* and *Remorquage BL*, and that he manages his time based on the work load at each company.

4.3 Financing of Remorquage BL by Auto Cam 2000

4.3.1 Large bank transfers and payment of bid guarantees

On December 1, 2016, Brigitte Lévesque stated that *Auto Cam 2000* made two (2) deposits totalling \$48,000 in *Remorquage BL*'s bank account. The bank statements obtained by the Office of Inspector General confirm that a first payment of \$40,000 was deposited in *Remorquage BL*'s account on November 28, 2016 and a second in the amount of \$8,000 exactly one (1) month later, on December 28, 2016.

Brigitte Lévesque maintained that the first payment of \$40,000 was used to pay the bid bond of \$38,000 for the bid submitted by *Remorquage BL* in response to call for tenders

16-15716. This call for tenders required a bid guarantee of \$2,000 for each tow truck proposed by the bidders.⁸ This guarantee could take the form of a bid bond.

As such, the bid bonds of *Remorquage BL* were entirely financed by *Auto Cam 2000*.

As for the second payment of \$8,000, Brigitte Lévesque explained the payment was made because the company needed money. As detailed in section 6.3.5, *Remorquage BL* used the second payment to pay part of the tow trucks' insurance cost.

As of February 1, 2017, *Remorquage BL* had still not paid *Auto Cam 2000* back.

4.3.2 *Tow truck ownership transfer fees and transactions at the Montréal Taxi Office (Bureau du taxi de Montréal)*

On December 22, 2016, *Remorquage BL* sent the Procurement Department (*Service de l'approvisionnement*) a copy of the registration certificates for the twelve (12) tow trucks proposed in its bid. Delivered on December 13, 2016, the certificates show *Remorquage BL* as the tow trucks' owner.

However, the Inspector General's investigation showed that transactions at the SAAQ were all paid by *Auto Cam 2000*.

The Office of Inspector General obtained a copy of the transactions carried out on December 13, 2016. The fees paid to the SAAQ for the twelve (12) tow trucks' registration and taxes for three (3) of them amounted to \$4,498.32. On February 1 and 7, 2017, Brigitte Lévesque confirmed to the Office of Inspector General that these fees were paid by *Auto Cam 2000*, which issued a cheque to the SAAQ, and that *Remorquage BL* had still not paid *Auto Cam 2000* back.

Auto Cam 2000's bank statement corroborates her testimony. A withdrawal of \$4,498.32 appears on December 19, 2016 and the cheque number is the same as the handwritten number on the copy of the SAAQ transaction statement.

On January 25, 2017, there were more transactions at the SAAQ to pay the registration fees for two (2) of the remaining tow trucks and taxes for one (1) of them. It turns out that *Auto Cam 2000* also paid these fees, in the amount of \$672.91, by debit card. Brigitte Lévesque confirmed these facts and added, on February 7, 2017, that *Remorquage BL* had still not paid *Auto Cam 2000* back.

The Inspector General wishes to reiterate that as of February 1, 2017, *Remorquage BL* still had not paid *Auto Cam 2000* for the costs of the fourteen (14) tow trucks. According to the sales contracts dated November 25, 2016, to which the Office of Inspector General had access, these costs amounted to \$146,431.33, taxes included.

⁸ Section 13.1 of the Instructions to Bidders (*Instructions aux soumissionnaires*) and section 9.1 of the Specific Administrative Clauses (*Clauses administratives particulières*).



Transactions at the Montréal Taxi Office (*Bureau du taxi de Montréal*, hereinafter: BTM) were carried out on December 21, 2016. The BTM opened a file for *Remorquage BL*, issued an operating permit in the company's name and a transport permit for twelve (12) tow trucks. The total cost of the transactions was \$3,297.

On February 1, 2017, Brigitte Lévesque admitted to the Office of Inspector General that these fees were covered entirely by *Auto Cam 2000* and that *Remorquage BL* still had not paid the company back. However, she pointed out that *Remorquage BL* paid for the transaction at the BTM on January 31, 2017, in the amount of \$420, for the transport permits of the two (2) remaining tow trucks.

4.3.3 *Payment of employees assigned to towing contracts*

The investigation of the Office of Inspector General shows that *Auto Cam 2000* pays some of the *Remorquage BL* employees assigned to City towing contracts.

On December 1, 2016, Brigitte Lévesque told the Office of Inspector General that if *Remorquage BL* obtained contracts from the City, she planned on hiring the *Auto Cam 2000* employees who had been assigned to towing contracts before the company was listed in the Register of Persons Excluded Pursuant to the CMP. Brigitte Lévesque said that they would all be paid by *Remorquage BL*.

However, verifications made by the Office of Inspector General on February 1, 2017 showed that this was not the case. Brigitte Lévesque gave the concrete example of a *Remorquage BL* employee who was paid in part by *Auto Cam 2000* for his work at *Remorquage BL*. Bank statements and entries in the document titled [TRANSLATION] "Debt to Auto Cam 2000" confirm the veracity of her statements. In some cases, Brigitte Lévesque herself was unable to determine whether the employee was paid by *Auto Cam 2000*.

4.3.4 *Premises used, tow truck storage and repair*

According to the REQ and bid documents, *Remorquage BL* is domiciled on De Grosbois Street in a building belonging to *Auto Cam 2000*.

In fact, on December 1, 2016, Brigitte Lévesque admitted to the Office of Inspector General that if *Remorquage BL* obtained contracts from the City, the company would set up operations on De Grosbois Street. She mentioned that the premises were occupied by *Carrosserie Rapido Auto*, a body shop of which Réal Tourigny is the sole director and shareholder. This company was listed in the Register of Persons Excluded Pursuant to the CMP, following the Inspector General's decision of September 26, 2016 because of its association with Réal Tourigny.

On February 1, 2017, Brigitte Lévesque stated that, in the end, she was managing *Remorquage BL* from offices on Papineau Street, but that the company's tow trucks were

stored on De Grosbois. However, the offices on Papineau Street are situated at the address of *Auto Cam 2000*, as shown in the REQ. Brigitte Lévesque confirmed that the offices are in *Auto Cam 2000*'s garage.

When questioned on the matter, Brigitte Lévesque admitted that there was no lease between *Remorquage BL* and *Auto Cam 2000* and that the company did not pay any rent.

Brigitte Lévesque also admitted that repairs to *Remorquage BL*'s tow trucks were made in *Auto Cam 2000*'s garage on Papineau Street.

4.3.5 Tow truck insurance and gas expenses

The bid documents submitted by *Remorquage BL* in response to call for tenders 16-15716 included a letter dated November 21, 2016 in which *Remorquage BL* states that it would insure the tow trucks if it obtained contracts from the City and agrees to purchase liability insurance of two (2) million dollars within 48 hours of the contract award.

On December 1, 2016, when interviewed by the Office of Inspector General, Brigitte Lévesque confirmed that this was the way she chose to proceed and added that *Auto Cam 2000* would advance the money for the insurance.

As of February 1, 2017, all *Remorquage BL*'s tow trucks had been insured. Brigitte Lévesque stated that the insurance costs were about \$12,000 and that *Remorquage BL* had made a first instalment of \$6,485.

In fact, on further investigation, the Office of Inspector General learned that these costs were also financed by *Auto Cam 2000*. The account statement issued by *Remorquage BL*'s insurer shows that the total insurance cost was \$12,935.91 and that a payment of \$6,468 had been received.

Remorquage BL's bank statement does show a withdrawal of \$6,468 on December 30, 2016. However, the Office of Inspector General notes that had it not been for a deposit of \$8,000 by *Auto Cam 2000* in *Remorquage BL*'s bank account on December 28, 2016, *Remorquage BL* would not have had sufficient funds to pay the insurance company's invoice. Before this large deposit, *Remorquage BL* had a bank balance of \$1,591.96.

It is recalled that as of February 1, 2017, *Remorquage BL* had yet to pay *Auto Cam 2000* back for the \$8,000 deposit.

As regards gas expenses, Brigitte Lévesque stated that *Remorquage BL*'s tow trucks filled up from the tank belonging to *Auto Cam 2000* located at the back of the latter's garage on Papineau Street.

Questioned on the matter, Brigitte Lévesque admitted there was no specific method to calculate how much gas is used by *Remorquage BL* and how much is used by *Auto Cam 2000*. Brigitte Lévesque simply said that *Auto Cam 2000* uses only one (1) tow truck to transport vehicles between garages nearby. She said the rest of the gas is used by *Remorquage BL*.



A copy of the account statement issued by the gasoline delivery company to *Auto Cam 2000* indicates that, as of December 31, 2016, there were three (3) invoices totalling \$4,639. Brigitte Lévesque claimed that one (1) of these invoices, in the amount of \$3,893.77 and dated December 30, 2016, was paid by cheque by *Auto Cam 2000* and that as of February 6, 2017, *Remorquage BL* had still not reimbursed *Auto Cam 2000* for this amount.

4.3.6 Total amounts due to *Auto Cam 2000*

On February 1, 2017, Brigitte Lévesque admitted to the Office of Inspector General that *Remorquage BL* owed *Auto Cam 2000* about \$200,000.

At the end of its investigation, the Office of Inspector General analyzed all the facts concerning advances made to *Remorquage BL* by *Auto Cam 2000*. Based on a compilation of the amounts, the Office of Inspector General estimates that *Remorquage BL* owes *Auto Cam 2000* \$207,293.33.

5. Towing contracts obtained by *Excavation Anjou inc.*

The facts uncovered by the Office of Inspector General's investigation show that *Excavation Anjou inc.* is actually a front to allow Jean-Marc Lelièvre (president of *Remorquage Taz inc.*) to continue obtaining contracts from the City despite being listed in the Register of Persons Excluded Pursuant to the CMP.

5.1 Arrangement between Jean-Marc Lelièvre (*Remorquage Taz inc.*) and Yvan Dubé (*Excavation Anjou inc.*)

5.1.1 Contacts initiated and type of agreement

Interviewed by the Office of Inspector General, Jean-Marc Lelièvre stated that after the Inspector General recommended that he be excluded from contracting with the City for five (5) years, he began taking steps to sell the fleet of tow trucks owned by his company, *Remorquage Taz inc.*

In October 2016, some time before publication of call for tenders 16-15650, he said that he had discussions in this regard with three (3) contractors, including Yvan Dubé, whom he went to see personally. Yvan Dubé was president and majority shareholder of *Excavation Anjou inc.*⁹, but also a personal friend and close neighbour of Jean-Marc Lelièvre. These two (2) individuals have known each other since 2008 or 2009.

⁹ Yvan Dubé holds 55% of the voting shares of *Excavation Anjou inc.*

Jean-Marc Lelièvre explained that he wanted to find a reliable buyer who would be able to buy the tow trucks' entire fleet and that Yvan Dubé was the only person who had the means to do so. However, Yvan Dubé accepted his offer just one (1) or two (2) weeks before the bid opening.

When interviewed by the Office of Inspector General, Yvan Dubé gave a different version of the facts. He said that he contacted Jean-Marc Lelièvre on his own initiative to buy *Remorquage Taz inc.*'s tow trucks, without providing any more details on the steps taken.

However, the two (2) agreed that Yvan Dubé knew that Jean-Marc Lelièvre and *Remorquage Taz inc.* had been excluded from contracting with the City. According to Jean-Marc Lelièvre, he had mentioned this to Yvan Dubé when he approached him about buying the tow trucks. For his part, Yvan Dubé told the Office of Inspector General that he learned about this from the newspapers.

The two (2) contractors therefore reached an agreement whereby *Excavation Anjou inc.* would purchase all the tow trucks belonging to *Remorquage Taz inc.* However, the agreement was contingent on obtaining towing contracts. In other words, only if *Excavation Anjou inc.* obtained towing contracts from the City would the company buy the tow trucks from *Remorquage Taz inc.* Jean-Marc Lelièvre told the Office of Inspector General that this was a condition imposed by Yvan Dubé.

The documentary evidence gathered during the investigation confirms this assertion. Indeed, the bid documents submitted by *Excavation Anjou inc.* in response to call for tenders 16-15650 included two (2) sales contracts dated October 29, 2016 and signed by Jean-Marc Lelièvre and Yvan Dubé. The first contract was made between *Remorquage Taz inc.* and *Excavation Anjou inc.* for the purchase of eighteen (18) tow trucks for \$274,200. The second was made between *Excavation Anjou inc.* and *Sciage de Béton Métropole inc.*, a company of which Jean-Marc Lelièvre is the sole director and majority shareholder and which is also listed in the Register of Persons Excluded Pursuant to the CMP. The second contract was for the purchase of two (2) tow trucks for \$29,000.

In these contracts, Jean-Marc Lelièvre guarantees that he has the ability to sell the tow trucks in question, and the contracts clearly state that the sale is conditional on *Excavation Anjou inc.* obtaining contracts.

An analysis of these contracts and the bid documents submitted by *Excavation Anjou inc.* further showed that the tow trucks listed in the two (2) sales contracts are the trucks that *Excavation Anjou inc.* planned to use for any contracts it obtained from the City. As a matter of fact, the copies of the registration certificates supplied by the company to the City's Procurement Department with regards to calls for tenders 16-15650 and 16-15716 are for tow trucks covered by the conditional sales contracts.



5.1.2 *Inexperience of Excavation Anjou inc. and Yvan Dubé in the vehicle towing business*

The investigation showed that *Excavation Anjou inc.* and Yvan Dubé had never been in the vehicle towing business before they were approached by Jean-Marc Lelièvre.

Rather, *Excavation Anjou inc.* is involved in public works and the rental of snow removal equipment. In the REQ, the only sector of activity listed for this company is public works, i.e. roads, streets and bridges.

The minority shareholder of *Excavation Anjou inc.*, Jacques Dubé, Yvan Dubé's brother and a former director of the company, explained to the Office of Inspector General that the company specializes in snow removal and hauling and that in the last few years, it has also started transporting heavy machinery and street sweeper trucks.

Interviewed during the investigation, Jean-Marc Lelièvre confirmed that Yvan Dubé and his company had no experience in the vehicle towing business before the 2016-2017 winter season. Yvan Dubé himself admitted to the Inspector General's representatives that he knew nothing about towing.

5.2 *Purchase of tow trucks belonging to Remorquage Taz inc. by Excavation Anjou inc.*

5.2.1 *Sales contracts*

The investigation showed that several sales contracts for the same purpose were concluded at various times between *Remorquage Taz inc./Sciage de Béton Métropole inc.* and *Excavation Anjou inc.*

The Inspector General has already mentioned that, initially, the agreement between Jean-Marc Lelièvre and Yvan Dubé involved the sale of twenty (20) tow trucks by *Remorquage Taz inc.* and *Sciage de Béton Métropole inc.* to *Excavation Anjou inc.*, contingent upon the latter obtaining towing contracts from the City. The two (2) contracts that were signed to this effect on October 29, 2016 form an integral part of the bid documents of *Excavation Anjou inc.* in response to call for tenders 16-15650.

From November 11, 2016 to December 12, 2016, six (6) new contracts were concluded between *Remorquage Taz inc./Sciage de Béton Métropole inc.* and *Excavation Anjou inc.*, this time for the sale of eighteen (18) tow trucks for a total of \$226,200.

At this point, it bears mentioning that the eighteen (18) tow trucks listed in these six (6) contracts are tow trucks that were already covered by the two (2) contracts dated October 29, 2016. Furthermore, in the space of about ten days, the purchase price for one (1) of the tow trucks changed from \$17,000 on October 29, 2016 to \$12,000 on November 11, 2016, while the number of trucks for sale changed from twenty (20) to eighteen (18).

Of the six (6) new contracts, only three (3) were signed by the parties.

The following table provides details for each of the six (6) contracts:

Contract	Date of Contract	Details	Number of Tow Trucks Purchased	Contract Amount (taxes excluded)
Contract 1	Nov. 11, 2016	Not signed	7	\$57,000
Contract 2	Nov. 11, 2016	Not signed	2	\$24,000
Contract 3	Nov. 11, 2016	Signed	5	\$48,200
Contract 4	Nov. 11, 2016	Not signed	1	\$17,000
Contract 5	Dec. 1, 2016	Signed	2	\$44,000
Contract 6	Dec. 12, 2016	Signed	1	\$36,000

Only the four (4) contracts dated November 11, 2016 are recorded in the books of *Excavation Anjou inc.*'s suppliers. The two (2) conditional sales contracts dated October 29, 2016 and included in the bid documents of *Excavation Anjou inc.*, as well as the two (2) contracts dated December 1 and 12, 2016, do not appear in the company's books.

Lastly, the investigation conducted by the Office of Inspector General showed that as of January 17, 2017, neither *Remorquage Taz inc.* nor *Sciage de Béton Métropole inc.* had been paid for the tow trucks purchased by *Excavation Anjou inc.* This was confirmed by the witnesses interviewed by the Office of Inspector General, including the two (2) main stakeholders: Yvan Dubé and Jean-Marc Lelièvre.

Confronted separately on this fact by the Office of Inspector General, Yvan Dubé and Jean-Marc Lelièvre gave contradictory accounts of the terms of their agreement. Yvan Dubé explained that *Excavation Anjou inc.* would pay half the purchase price at the end of January 2017 and the other half at the end of the 2016-2017 winter season. Jean-Marc Lelièvre said that the second half would be paid on expiration of the towing contracts awarded by the City, adding that in some cases, it could be in several years. As a matter of fact, some of the towing contracts awarded to *Excavation Anjou inc.* do not end until 2018, 2019 or even 2020, not including the renewal options for most of them.

The Inspector General notes that Jean-Marc Lelièvre and Yvan Dubé did not agree on the terms of the sales contracts they concluded. This is not surprising considering that the contracts do not set out the terms and conditions of the sale, the payments, the financing rate or the interest rate. Yet, these are important components of a sale.

5.2.2 Tow truck ownership transfer fees and transactions at the Montréal Taxi Office

The sales contracts between *Remorquage Taz inc./Sciage de Béton Métropole inc.* and *Excavation Anjou inc.* do not specify when *Excavation Anjou inc.* will take possession of the tow trucks. However, Jean-Marc Lelièvre told the Office of Inspector General that the



eighteen (18) tow trucks in the contracts dated between November 11, 2016 and December 12, 2016 were all transferred to *Excavation Anjou inc.*

To operate a tow truck, section 7 of the *Regulation on Vehicle Towing (Règlement sur le remorquage des véhicules)* (03-098) stipulates that the driver must hold a valid operating permit issued by the BTM. The BTM must be notified in the event of changes in the ownership of a tow truck or in the company name under which it operates. As such, after purchasing the tow trucks, *Excavation Anjou inc.* should have proceeded with certain transactions at the BTM.

The investigation showed that on December 2, 2016, Yvan Dubé signed a proxy authorizing Jean-Marc Lelièvre to act as representative of *Excavation Anjou inc.* at the BTM and to proceed with the purchase of permits and changes to the vehicles.

First, Jean-Marc Lelièvre and Yvan Dubé both went to the BTM to open a file for *Excavation Anjou inc.* Then, on December 5 and 7, 2016, Jean-Marc Lelièvre went to the BTM on his own to obtain an operating permit and a transport permit for the tow trucks purchased by *Excavation Anjou inc.* He also proceeded to change the registration, make the vehicle changes, and requested that new validation sticker numbers be issued for *Excavation Anjou inc.* as well as certificates of mechanical inspection for the tow trucks.

The transactions cost \$4,221, which was paid by Jean-Marc Lelièvre. He confirmed to the Office of Inspector General that he, himself, paid for these transactions by debit card and that he would be reimbursed by Yvan Dubé. However, as of January 17, 2017, Yvan Dubé still had not reimbursed him.

For his part, Yvan Dubé recounted a different version of the facts. He told the Office of Inspector General that he paid \$3,000 of these costs and that Jean-Marc Lelièvre paid the rest. He admitted that he still had not reimbursed Jean-Marc Lelièvre, but explained that it was because he never received an invoice to this effect.

5.2.3 *Tow truck repairs, storage and lettering*

Before going ahead with the tow truck purchase, Yvan Dubé and Jean-Marc Lelièvre explained to the Inspector General that they had agreed that the tow trucks had to be in working order and that it was Jean-Marc Lelièvre's responsibility to assume the cost of any needed repairs and inspections.

By Jean-Marc Lelièvre's own admission, he and the employees of *Remorquage Taz inc.* took care of the tow truck repairs and inspections. Jean-Marc Lelièvre admits that he paid for all the related costs, including any parts.

In terms of tow truck storage, it seems that the trucks used to carry out the contracts obtained by *Excavation Anjou inc.* were not stored in the company's garage but at the garage of *Remorquage Taz inc.*

In fact, one witness told the Office of Inspector General that tow trucks left the garage of *Remorquage Taz inc.* when they were used for snow clearing operations. Jacques Dubé,

the minority shareholder of *Excavation Anjou inc.* and Yvan Dubé's brother, confirmed that the tow trucks were not stored in the garage or on the property of *Excavation Anjou inc.*

On January 17, 2017, the Office of Inspector General visited the garage of *Remorquage Taz inc.* It didn't take long for the Office of Inspector General representatives to notice the presence of several tow trucks, including some with the logo *Excavation Anjou inc.*

A cross analysis of the tow truck registration numbers showed that of the nineteen (19) tow trucks parked in the garage of *Remorquage Taz inc.*, fifteen (15) were registered to *Excavation Anjou inc.* Of the fifteen (15) tow trucks, six (6) still bore "*Remorquage Taz inc.*" lettering. The investigation also showed that one (1) tow truck that was registered to *Remorquage Taz inc.* at the SAAQ and that was in the garage of *Remorquage Taz inc.* bore the logo of *Excavation Anjou inc.*

When confronted on this matter, both Yvan Dubé and Jean-Marc Lelièvre admitted that the tow trucks registered to *Excavation Anjou inc.* were stored in the garage of *Remorquage Taz inc.* free of charge.

As regards the lettering, Jean-Marc Lelièvre admitted that not only did he pay to have the logo *Remorquage Taz inc.* removed from the tow trucks, he also paid to have the name "*Excavation Anjou inc.*" added.

On this point, Jean-Marc Lelièvre told the Office of Inspector General that he would be reimbursed for adding the name "*Excavation Anjou inc.*" However, as of January 17, 2017, no such reimbursement had been made.

What struck the Inspector General the most was that some of the tow trucks registered to *Excavation Anjou inc.*, but bearing the name *Remorquage Taz inc.*, were used to carry out towing contracts awarded by the City.

In this regard, *Excavation Anjou inc.* received two (2) warnings from the boroughs. The fact is that such a situation breaches the provisions of section 26 of the *Regulation on vehicle road service and towing (Règlement sur le dépannage et le remorquage des véhicules)* (03-098), which requires that all tow trucks bear the name of the operating permit holder, in this case, *Excavation Anjou inc.*:

26. [TRANSLATION] All road service vehicles must be properly identified. The name of the permit holder, address, company name or trademark, if applicable, and telephone number must appear centred on the door of such vehicles. Such lettering must be at least 4 cm. in height.

On December 14, 2016, *Excavation Anjou inc.* received an email from the Rosemont–La Petite-Patrie borough stating that its vehicles bore the name of *Remorquage Taz inc.*, in violation of section 26 of the *Regulation on vehicle road service and towing*. Then, on January 5, 2017, *Excavation Anjou inc.* received a letter served by bailiff, this time from the Ville-Marie borough, informing it that the tow trucks carrying out the contract obtained by *Excavation Anjou inc.* bore the logo *Remorquage Taz inc.*



5.3 *Role of Jean-Marc Lelièvre at Excavation Anjou inc.*

5.3.1 *Status of Jean-Marc Lelièvre at the company*

Yvan Dubé informed the Office of Inspector General that Jean-Marc Lelièvre was going to work for *Excavation Anjou inc.* for the next two (2) winter seasons.

Jean-Marc Lelièvre explained that it was a condition imposed by Yvan Dubé when he purchased the tow trucks from *Remorquage Taz inc.* because he wanted Jean-Marc Lelièvre to handle the towing operations of *Excavation Anjou inc.* for at least one (1) winter season.

The Office of Inspector General conducted an inspection of the premises of *Excavation Anjou inc.*, as permitted under paragraphs 2 and 3 of section 57.1.9 of the Charter. It seems that there is no employment contract between Jean-Marc Lelièvre and *Excavation Anjou inc.* However, a job application submitted by Jean-Marc Lelièvre was found. The application is undated and unsigned and contains a handwritten figure of "\$600.00 net" in the bottom right-hand corner.

Yvan Dubé informed the Office of Inspector General that he pays Jean-Marc Lelièvre \$600 net per week for his work at *Excavation Anjou inc.*, regardless of how many hours he puts in. Jean-Marc Lelièvre confirmed these facts.

Jean-Marc Lelièvre told the Office of Inspector General that as of January 17, 2017, he had received only one (1) pay cheque covering the period of January 1 to 7, 2017.

It is worth mentioning that during the inspection conducted by the Office of Inspector General at the offices of *Excavation Anjou inc.*, an unsigned cheque in the amount of \$600, dated January 7, 2017 and made out to Jean-Marc Lelièvre, was found. This was the first pay cheque issued to Jean-Marc Lelièvre for the work performed between January 1 and 7, 2017. However, the investigation showed that it was only the next day when the Office of Inspector General summoned Jacques Dubé to an interview, i.e. on January 11, 2017, that Yvan Dubé requested that a cheque be written and pre-dated.

Moreover, Jean-Marc Lelièvre told the Office of Inspector General that he had been working for *Excavation Anjou inc.* since the beginning of the 2016-2017 winter season. Jean-Marc Lelièvre explained that he still had not been paid for the work he did in December 2016. During his meeting with the Office of Inspector General, he still tried to convince the Inspector General's representatives that he would be paid later for this period.

5.3.2 *Preparation of the bid submitted by Excavation Anjou inc.*

The bid submitted by *Excavation Anjou inc.* in response to call for tenders 16-15650 was signed by the company's president, Yvan Dubé.

Interviewed by the Office of Inspector General, Yvan Dubé first said that he obtained the documents for call for tenders 16-15650 one (1) or two (2) days before the bid submission

deadline, in other words, around October 29 or 30, 2016. He said that he completed the bid documents of *Excavation Anjou inc.* by hand. His wife then transcribed the information on the electronic version of the tender documents. Yvan Dubé stated that he consulted with Jean-Marc Lelièvre concerning the sectors on which to bid and the assignment of drivers, but that he received no help or advice from him to establish the bid price. He claimed that he arrived at the bid prices based on information he received from a third party on the value of the service offered.

Jean-Marc Lelièvre said that he obtained the documents for call for tenders 16-15650 through *Remorquage Taz inc.* about one (1) week before the bid opening, when Yvan Dubé had not yet agreed to buy the tow trucks from his company. According to the Office of Inspector General's verifications, Jean-Marc Lelièvre obtained these documents on October 25, 2016.

However, he provided contradictory accounts of the role he played in preparing the bid submitted by *Excavation Anjou inc.* At first, he clearly admitted that he completed the company's bid documents [TRANSLATION] "I did the paperwork") and then gave them to Yvan Dubé. Later during the same interview with the Office of Inspector General, Jean-Marc Lelièvre changed his version of the facts and denied having completed the bid documents for *Excavation Anjou inc.* [TRANSLATION] ("I didn't fill out anything"). He then decided to go with Yvan Dubé's account that his wife completed the company's bid documents.

Still, even in this version of the facts, Jean-Marc Lelièvre admits that he advised Yvan Dubé on the information to provide in the bid documents submitted by *Excavation Anjou inc.* and that Yvan Dubé relied on this information. He said that he suggested on which sectors to bid, the number of tow trucks to propose, and the hourly rates to charge. He told the Office of Inspector General: [TRANSLATION] "Of course I gave him some information about how much it was worth, [...] I suggested that he go with similar prices."

Both Yvan Dubé and Jean-Marc Lelièvre confirmed that on October 31, 2016, they both met at the bank where Yvan Dubé had just obtained a bank draft to cover the bid guarantee and that Jean-Marc Lelièvre then went on his own to submit the bid of *Excavation Anjou inc.* in response to call for tenders 16-15650.

Yvan Dubé told the Office of Inspector General that he handed Jean-Marc Lelièvre a sealed envelope containing the bid documents submitted by *Excavation Anjou inc.* However, noting that the company's Occupational Health, Safety and Equity Standards Board (CNESST) number was handwritten on the bid documents, the Office of Inspector General representatives questioned Yvan Dubé on the subject, who, without changing his version of the facts said that it was Jean-Marc Lelièvre who had entered the CNESST number because he himself had forgotten to enter it and did not have a pencil on him. This version clearly contradicts the first.

For his part, Jean-Marc Lelièvre said that the envelope containing the bid submitted by *Excavation Anjou inc.* was not sealed when Yvan Dubé gave it to him and that is why he was able to review it and notice that he had forgotten to enter the company's CNESST number. He then added the number by hand.



5.3.3 *Payment of bid guarantees deposited by Excavation Anjou inc.*

The investigation showed that the bid guarantees deposited by *Excavation Anjou inc.* in response to call for tenders 16-15650 were in fact paid by Jean-Marc Lelièvre.

As it turns out, besides the fact that the purchase of the tow trucks was conditional on the company obtaining towing contracts from the City, there was one more condition. Jean-Marc Lelièvre told the Office of Inspector General that Yvan Dubé had asked him to issue a cheque for \$40,000 to *Excavation Anjou inc.*

During the investigation, the Office of Inspector General obtained a copy of the \$40,000 cheque dated October 31, 2016 from *Remorquage Taz inc.* to *Excavation Anjou inc.* Signed by Jean-Marc Lelièvre, the cheque contained the following notation, [TRANSLATION] "down payment for snow-blower." Verifications of the bank account of *Excavation Anjou inc.* showed that the cheque was deposited on December 13, 2016. In the company's cash journal, the payment appears under the heading [TRANSLATION] "Miscellaneous deposits Taz inc."

The Office of Inspector General then had access to a handwritten contract dated October 31, 2016 and signed by Jean-Marc Lelièvre and Yvan Dubé. This contract concerns the sale of a snow-blower for \$65,000 with a down payment of \$40,000 in the form of a cheque [TRANSLATION] "pending contract award."

That same day, *Excavation Anjou inc.* issued a bank draft of \$40,000 as a bid guarantee for call for tenders 16-15650.¹⁰

Questioned on the matter of the \$40,000 down payment by *Remorquage Taz inc.*, Jacques Dubé, the minority shareholder of *Excavation Anjou inc.*, and Yvan Dubé's brother, exclaimed, [TRANSLATION] "You've just hit the Jackpot!"

Jacques Dubé explained that the snow-blower still belongs to *Excavation Anjou inc.* and is stored in the company's garage. A visit by the Inspector General's representatives confirmed these facts. A sticker bearing the name *Excavation Anjou inc.* was affixed on the snow-blower and the registration certificate – expired since December 2014 – shows that it still belongs to Excavation Anjou.

Interviewed by the Office of Inspector General, Yvan Dubé said that he sold a snow-blower to Jean-Marc Lelièvre in September 2016, because he wanted to bid on a snow clearing contract in the Mercier-Hochelaga-Maisonneuve borough. Yvan Dubé said there was no connection between this transaction and the bids submitted by *Excavation Anjou inc.* to obtain towing contracts from the City.

¹⁰ The call for tenders required a \$2,000 bid guarantee for each tow truck proposed in the bid (section 13 of the Instructions to Bidders and section 9 of the Specific Administrative Clauses).

For his part, Jean-Marc Lelièvre first said that he had nothing to do with the bid guarantees provided by *Excavation Anjou inc.* for call for tenders 16-15650. Then, a little later during the same interview, he admitted that Yvan Dubé, who was hesitant about providing bid guarantees of \$40,000, asked him to sign a cheque for the same amount to *Excavation Anjou inc.*, to show his good faith:

[TRANSLATION] "If he was worried about spending money, I can lend it to him. I have the right to lend him money if he doesn't want to pay. I gave it to him as a way of reassuring him that he wasn't going to get himself into a mess and because so many things were up in the air, he wanted to be sure he wouldn't lose the bid guarantee."

"To see that it was serious, and that he didn't want to get involved in things and deposit money without being sure he would get the contracts."

In fact, Jean-Marc Lelièvre explained that the \$40,000 cheque was a condition imposed by Yvan Dubé to ensure his good faith and that if *Excavation Anjou inc.* obtained the towing contracts from the City, *Remorquage Taz inc.* would sell him the tow trucks.

Jean-Marc Lelièvre ended up admitting to the Office of Inspector General that he never planned on buying the snow-blower and that it was Yvan Dubé's idea to add the notation [TRANSLATION] "down payment for snow-blower" on the cheque to give the impression that it was an instalment.

5.3.4 Management of the towing contracts obtained by *Excavation Anjou inc.*

The investigation conducted by the Office of Inspector General showed that Jean-Marc Lelièvre was the person responsible for carrying out the tow truck rental contracts *Excavation Anjou inc.* obtained from the City.

Questioned on the role he plays at *Excavation Anjou inc.* in connection with the towing contracts, Jean-Marc Lelièvre stated: [TRANSLATION] "I take care of everything."

The Office of Inspector General learned that to prepare the invoices to the City for the towing services provided, Yvan Dubé had to contact Jean-Marc Lelièvre for information about the hourly rates and the number of hours worked by the tow truck drivers.

Jacques Dubé, the second shareholder of *Excavation Anjou inc.* and brother of company president Yvan Dubé, told the Office of Inspector General that Jean-Marc Lelièvre is the company's manager of towing operations and handles all towing-related matters. He is in charge of dispatching the tow trucks, collecting timesheets from the drivers, and making sure they are completed correctly. He added that when his brother, Yvan Dubé, receives a call from the City concerning the towing contracts, he transfers the call to Jean-Marc Lelièvre.

Yvan Dubé confirmed to the Office of Inspector General that the "towing" department of *Excavation Anjou inc.* is run by Jean-Marc Lelièvre, who supervises and manages all the



operations, in particular dispatching tow trucks, calling drivers, training drivers, performing minor tow truck repairs, and collecting timesheets from the drivers.

Lastly, Jean-Marc Lelièvre admitted to the Office of Inspector General that he is the only person responsible for managing the towing operations of *Excavation Anjou inc.* He explained that he is responsible for hiring staff, dispatching tow trucks, calling drivers during snow loading operations, repairing and inspecting tow trucks, and collecting and checking the drivers' timesheets indicating the number of hours worked on carrying out the contracts. Jean-Marc Lelièvre said: [TRANSLATION] "Of course I'm the one who hires the staff and who tries to run the business to provide services to the City."

He also confirmed that he was responsible for fielding calls from the City and said that while Jacques Dubé and Yvan Dubé fielded some of those calls, [TRANSLATION] "I handle most of them." Moreover, Jean-Marc Lelièvre stated that when the City contacts him – whether to inform him about the start of snow loading operations, the number of tow trucks required or a mechanical breakdown – it calls a number assigned to *Remorquage Taz inc.* and not *Excavation Anjou inc.* He named Montréal-Nord, Rosemont–La Petite-Patrie, Rivière-des-Prairies–Pointe-aux-Trembles, Villeray–Saint-Michel–Parc-Extension and Ville-Marie as the boroughs that communicate directly with him by calling *Remorquage Taz inc.*

In this regard, Jean-Marc Lelièvre told the Office of Inspector General that the telephone number associated with *Remorquage Taz inc.* will be transferred to Yvan Dubé once he stops working for *Excavation Anjou inc.*

5.3.5 *Ties with the individuals assigned to the towing contracts of Excavation Anjou inc.*

During the investigation, the Office of Inspector General wanted to know who was assigned to the towing contracts of *Excavation Anjou inc.* and how they were paid.

At first, Jean-Marc Lelièvre admitted to the Office of Inspector General that the fifteen (15) or so individuals who, from the start of the 2016-2017 winter season were assigned to the towing contracts of *Excavation Anjou inc.*, were not employees of the company and were not on its payroll. He said that they had all worked for *Remorquage Taz inc.* in the past and that they were paid in cash. However later, during the same interview, Jean-Marc Lelièvre changed his story and said that these individuals were not all former employees of *Remorquage Taz inc.*

When questioned further on how these individuals were paid, Jean-Marc Lelièvre first said that no one had yet been paid for their work, but in the end confessed that except for one (1) or two (2) of them, they had all been paid in cash with his own money. It turns out that the workers were being paid in the same way as when *Remorquage Taz inc.* used to obtain contracts from the City.

It seems that *Excavation Anjou inc.* never paid the individuals who worked on the towing contracts and never received invoices in this regard.

When interviewed by the Office of Inspector General on January 12, 2017, Yvan Dubé said that he deals with an employment agency to pay the individuals assigned to the towing contracts of *Excavation Anjou inc.* He added that this agency still exists and that the head of the agency knows Jean-Marc Lelièvre. He stated that he never received an invoice from the agency, but was sure that the agency had already paid the workers.

However, the Office of Inspector General learned that as of mid-January 2017, *Excavation Anjou inc.* had yet to do business with an employment agency to hire or pay workers.

For his part, Jean-Marc Lelièvre said that *Excavation Anjou inc.* would do business with an employment agency and since he did not know any, in early January 2017 he asked one of his accountant friends to create one. Jean-Marc Lelièvre confirmed that Yvan Dubé and he chose to proceed in this manner because they did not want to add employees to the payroll of *Excavation Anjou inc.* and because *Remorquage Taz inc.* couldn't be used to pay the workers as it is listed in the Register of Persons Excluded Pursuant to the CMP.

Questioned in this regard by the Office of Inspector General, Jean-Marc Lelièvre admitted that after he was interviewed by the Office of Inspector General, Yvan Dubé asked him to find an employment agency to pay the workers. It should be noted that Yvan Dubé and Jean-Marc Lelièvre were interviewed on January 12 and January 17, 2017, respectively.

As of January 17, 2017, no employment agency had been created.

6. Towing contracts obtained by 9499237 Canada inc.

The investigation conducted by the Office of Inspector General showed that 9499237 Canada inc. is a front for Steve Lenfesty (president of *Remorquage Mobile*) so that he can continue to obtain contracts from the City despite being listed in the Register of Persons Excluded Pursuant to the CMP. The investigation also revealed that the City was provided with false information and documents during the contracting process.

6.1 Agreement between Steve Lenfesty (*Remorquage Mobile*) and Raymond Lizotte (9499237 Canada inc.)

6.1.1 Nature of the agreement

Steve Lenfesty described Raymond Lizotte as a long-time friend of over twenty (20) years. According to Raymond Lizotte, the two met in the '90s and Steve Lenfesty was merely an acquaintance.

Steve Lenfesty told the Office of Inspector General that he contacted Raymond Lizotte to ask him whether he wanted to rent or buy *Remorquage Mobile's* tow trucks after the company was excluded from contracting with the City for five (5) years following the Inspector General's decision of September 26, 2016. Steve Lenfesty said that Raymond Lizotte suggested that he begin by renting.



Raymond Lizotte confirmed to the Office of Inspector General that he rented tow trucks from *Remorquage Mobile*, but that he only started doing so after he secured towing contracts from the City. He said that he didn't want to rent them before obtaining the contracts.

Steve Lenfesty maintained that he rents fourteen (14) to fifteen (15) tow trucks to 9499237 Canada inc. At this stage, it is useful to point out that 9499237 Canada inc. secured two (2) contracts for the rental of six (6) tow trucks and that it also subcontracted eight (8) tow trucks to contractors who obtained turnkey snow removal contracts from the City. Thus, a total of fourteen (14) tow trucks would be used by 9499237 Canada inc. for the contracts obtained from the City.

Steve Lenfesty told the Office of Inspector General that although the tow trucks are currently used by 9499237 Canada inc., as of January 25, 2017, the rental price had still not been determined.

Raymond Lizotte said on January 26, 2017 that the rental price was set at \$25 per hour per tow truck.

6.1.2 9499237 Canada inc.

9499237 Canada inc. was created on November 4, 2015. Raymond Lizotte and his wife appear on the certificate of incorporation as its founders. Initially, Raymond Lizotte was the president and majority shareholder of 9499237 Canada inc., while his wife was vice-president and minority shareholder. Consulting of the REQ confirmed that this information was listed in it as of December 7, 2016.

Steve Lenfesty said that 9499237 Canada inc. had no towing experience before the 2016-2017 winter season. Raymond Lizotte even said that the company was not active before it obtained City towing contracts. As a matter of fact, as of December 7, 2016, 9499237 Canada inc. appeared in the REQ as a real estate company, more specifically, as an investment company with no employees in Québec.

However, during the investigation, changes were made to the information listed in the REQ.

On February 20, 2017, or less than one (1) month after the Office of Inspector General interviewed Raymond Lizotte and Steve Lenfesty, Raymond Lizotte's wife was removed from the list of shareholders and directors of 9499237 Canada inc.

What's more, this modification in the REQ was indicated as retroactive to November 4, 2015, i.e. the company's date of incorporation. In the history of 9499237 Canada inc., Raymond Lizotte's wife thus appears to have been the company's vice-president since November 4, 2015, only to have that position revoked the very same day. She is also no longer a shareholder of the company. Therefore, since these changes, Raymond Lizotte has been the sole director and shareholder of 9499237 Canada inc.

6.2 Steve Lenfesty's role at 9499237 Canada inc.

6.2.1 Preparation of the bid submitted by 9499237 Canada inc.

When the Office of Inspector General first interviewed Steve Lenfesty on January 25, 2017, he claimed he had nothing to do with the preparation of the bid documents submitted by 9499237 Canada inc. in response to call for tender 16-15716.

However, he told the Office of Inspector General that Raymond Lizotte contacted him in this regard. Steve Lenfesty explained that Raymond Lizotte asked him in which sectors Remorquage Mobile had bid in the past, to which he replied the Sud-Ouest, LaSalle and Côte-des-Neiges–Notre-Dame-de-Grâce boroughs.

Steve Lenfesty added that he suggested that Raymond Lizotte check the prices at which contracts were awarded in previous years. However, he emphasized that he did not tell him at what prices 9499237 Canada inc. should bid. Later on in the interview, he told the Office of Inspector General that he revealed to Raymond Lizotte the prices bid by *Remorquage Mobile* in previous tenders, only to then backtrack and say that he never did such a thing.

For his part, Raymond Lizotte claims that Steve Lenfesty did not advise him on how much to bid but [TRANSLATION] “simply told me how to position myself for tenders.” Later, during the same interview, he admitted that he was in fact advised, saying [TRANSLATION] “Yes, OK, Steve told me how to fill out the bids,” stressing, however, that the decision to bid at the prices indicated in the documents was his own. Raymond Lizotte ended up admitting that he and Steve Lenfesty completed the bid form submitted by 9499237 Canada inc. in response to call for tenders 16-15716: [TRANSLATION] “Me and Steve filled it out together.”

6.2.2 Management of the contracts obtained by 9499237 Canada inc.

Steve Lenfesty told the Office of Inspector General that he [TRANSLATION] “lent a hand” to Raymond Lizotte, pointing out that he is the one who manages the activities of 9499237 Canada inc. His statements in this regard downplay his role:

[TRANSLATION] “I don't do anything. I'm like, the manager. I lend a hand with the contracts.”

However, the way he describes his duties at 9499237 Canada inc. is not consistent with the idea of someone who doesn't “do anything.” Indeed, Steve Lenfesty said that he handles the tow trucks and their dispatching, supervises operations in the field, places ads in newspapers and is showing Raymond Lizotte the ropes about the towing business. Steve Lenfesty said that he could not let Raymond Lizotte handle the tow trucks on his own and so he had to help him. Steve Lenfesty added that he accompanied Raymond Lizotte to City meetings.



In this regard, on December 13, 2016, Steve Lenfesty was present at a meeting attended by Raymond Lizotte and three (3) representatives from the Sud-Ouest borough. According to witnesses who were present at the meeting, Steve Lenfesty helped Raymond Lizotte with the towing operations of 9499237 Canada inc.

Similarly, on January 25, 2017, Steve Lenfesty admitted to the Office of Inspector General that he was supposed to attend a meeting at the Sud-Ouest borough that morning but that it was cancelled at the request of the Office of Inspector General due to this investigation.

The Inspector General notes that once again, Steve Lenfesty backtracked on the statements he made when interviewed by the Office of Inspector General, denying that he was responsible for dispatching tow trucks and drivers.

Yet, when the Office of Inspector General questioned Raymond Lizotte about the dispatching of the tow truck drivers working for 9499237 Canada inc., he was unable to provide the locations for half of the trucks. He was also unable to identify one of the three (3) boroughs where 9499237 Canada inc. was subcontracting for a snow removal company.

Raymond Lizotte confirmed that as manager, Steve Lenfesty is involved in carrying out the towing contracts obtained by 9499237 Canada inc. and that he is showing him the ropes about the towing business.

Regarding the amount Steve Lenfesty was paid for his work at 9499237 Canada inc., the figures provided by Steve Lenfesty and Raymond Lizotte do not match. While Steve Lenfesty claimed that he receives no salary, Raymond Lizotte said he is paid \$800 per week, adding that as of January 26, 2017, he had still not been paid.

In closing, the investigation revealed that Steve Lenfesty was authorized by a proxy signed by Raymond Lizotte on December 6, 2016 to represent 9499237 Canada inc. at the BTM and to proceed with the vehicle changes on behalf of the company. In fact, on December 6, 2016, Steve Lenfesty and Raymond Lizotte went to the BTM together to open a file for 9499237 Canada inc. and to obtain an operating permit for the company and a transport permit for nine (9) tow trucks.

6.2.3 *Ties with the employees assigned to the towing contracts*

The investigation conducted by the Office of Inspector General shows that the employees assigned to the towing contracts obtained by 9499237 Canada inc. were former employees of *Remorquage Mobile*.

Raymond Lizotte admitted that about ten (10) employees who previously worked for *Remorquage Mobile* were now employees of 9499237 Canada inc. He said that all but two (2) employees of 9499237 Canada inc. were from *Remorquage Mobile*.

Raymond Lizotte added that *Remorquage Mobile's* secretary was responsible for recording the hours worked by the employees of 9499237 Canada inc.

According to Steve Lenfesty, only five (5) – and not about ten (10) – employees of 9499237 Canada inc. previously worked for *Remorquage Mobile*. He tried to downplay his role in their hiring by telling the Office of Inspector General that it was Raymond Lizotte who contacted the employees to offer them work as tow truck drivers for his company. However, Steve Lenfesty admitted that he gave Raymond Lizotte these employees' names.

Steve Lenfesty said that the other employees of 9499237 Canada inc. were recruited through newspaper advertising. However, it was Steve Lenfesty who, by his own admission, took out the ad to hire drivers and it was his phone number that appeared as the contact. Steve Lenfesty admitted that as of January 25, 2017, he had still not been reimbursed for the cost of this ad.

So, as it turns out, Steve Lenfesty is in fact in charge of the tow truck drivers. The Inspector General also wishes to point out another element that substantiates Steve Lenfesty's role in this regard. When interviewed by the Officer of Inspector General, Steve Lenfesty mentioned that he received calls every day from 9499237 Canada inc. employees asking to be paid, since as of January 25, 2017, not one of them had yet received a pay cheque.

6.2.4 *Tow truck storage and repairs*

A City employee told the Office of Inspector General that he saw tow trucks used by 9499237 Canada inc. for City contracts stored at *Remorquage Mobile's* garage and that drivers working for 9499237 Canada inc. had keys to this garage.

Steve Lenfesty and Raymond Lizotte both confirmed that some of the tow trucks used by 9499237 Canada inc. were stored in *Remorquage Mobile's* garage, and Steve Lenfesty said that Raymond Lizotte did not pay for storage.

Steve Lenfesty also said that he makes the mechanical repairs to the tow trucks used by 9499237 Canada inc.

6.2.5 *Financing of 9499237 Canada inc.'s activities*

When interviewed by the Office of Inspector General, Steve Lenfesty explained that 9499237 Canada inc. had no money in the bank and that he paid all the company's costs and expenses:

[TRANSLATION] "There's no money in the other account. This is normal. I pay everything and he pays me back later."

Steve Lenfesty added that as of January 25, 2017 he had still not been reimbursed and that he continued to [TRANSLATION] "still pay for everything."



In this regard, Steve Lenfesty and Raymond Lizotte said that *Remorquage Mobile* paid the SAAQ ownership transfer fee for the tow trucks as well as the BTM transaction fees. The BTM transaction fees were \$2,604 and the documentary evidence obtained confirms that they were in fact paid by *Remorquage Mobile*. Yet, Steve Lenfesty admitted that as of January 25, 2017, he had still not been reimbursed by 9499237 Canada inc.

For his part, Raymond Lizotte admitted to the Office of Inspector General that he still hasn't paid for the tow truck rental, but pointed out that he will be able to do so once he is paid by the City.

6.3 False information and documents sent to the City during call for tenders 16-15716

6.3.1 Rental of tow trucks from Remorquage Mobile by 9499237 Canada inc. and ownership transfer at the SAAQ

As mentioned earlier, the agreement between Raymond Lizotte and Steve Lenfesty states that 9499237 Canada inc. will rent the tow trucks belonging to *Remorquage Mobile* to carry out the tow truck rental contracts obtained from the City.

However, the tow truck registration certificates provided to the City by 9499237 Canada inc. in call for tenders 16-15716 and delivered by the SAAQ between November 21 and 22, 2016 show that the tow trucks are registered to 9499237 Canada inc.

Steve Lenfesty admitted to the Office of Inspector General that the tow trucks were transferred to 9499237 Canada inc. at the SAAQ. He said, however, that their agreement remained unchanged and that notwithstanding these transfers, the tow trucks do not belong to 9499237 Canada inc. but to *Remorquage Mobile*, and that it was just a rental. This is what he said in this regard:

[TRANSLATION] "We rent them out. I'm renting them. I transferred them but it's really a rental."

For his part, Raymond Lizotte confirmed to the Office of Inspector General that he rented the tow trucks from *Remorquage Mobile* and that there was no real ownership transfer:

[TRANSLATION] "There was no transfer, he put the tow trucks in my company's name at the SAAQ, but there was no sale. All the tow trucks are rented and still belong to Mobile."

Raymond Lizotte justified the transfers by saying that to obtain contracts from the City, the tow trucks had to be registered in his company's name.

Yet call for tenders 16-15716 did not require the successful bidder to own the tow trucks. As a matter of fact, section 18 of the Specific Administrative Clauses allows for the tow trucks to be rented. As discussed in section 7.3, the real reason they were transferred at

the SAAQ is because 9499237 Canada inc. could not rent tow trucks from a company listed in the Register of Persons Excluded Pursuant to the CMP.

6.3.2 Forged signatures

The investigation conducted by the Office of Inspector General shows that Raymond Lizotte's signature was forged on documents sent by 9499237 Canada inc. to the City with its bid.

Indeed, Raymond Lizotte's signature on the BTM proxy clearly does not match the signature under Raymond Lizotte's name on the bid form submitted by 9499237 Canada inc. in response to call for tenders 16-15716 nor on the tow truck registration certificates provided to the City. The signatures on the bid form and registration certificates are very different from the signature on the BTM proxy form.

However, on their face, there are striking similarities between the signatures on the bid form and registration certificates, which look alike, and Steve Lenfesty's signature on the bid document submitted by *Remorquage Mobile* in response to a previous call for tenders.

Steve Lenfesty and Raymond Lizotte were both confronted with the Office of Inspector General's observations in this regard. Their versions of the facts changed during the course of the investigation.

First, on January 25, 2017, Steve Lenfesty said: [TRANSLATION] "I don't know what to say. Ask him," referring to Raymond Lizotte. Steve Lenfesty denied having signed Raymond Lizotte's name on the bid form submitted by 9499237 Canada inc., saying: [TRANSLATION] "I didn't sign anything. He's the one who signed."

However, later that same day, Steve Lenfesty admitted on the phone to a representative of the Inspector General that the signatures on the registration certificates were not Raymond Lizotte's but refused to say whose they were.

For his part, on January 25, 2017, Raymond Lizotte said that he couldn't remember who signed the bid form submitted by 9499237 Canada inc. in response to call for tenders 16-15716. He then repeated that he completed the bid documents with Steve Lenfesty. A bit later in the interview, on the topic of the signatures on the tow truck registration certificates from the SAAQ, Raymond Lizotte admitted that the documents were not signed by him but by Steve Lenfesty.

The following day, January 26, 2017, the Office of Inspector General interviewed Raymond Lizotte again and raised the topic of who signed his name on the bid form submitted by 9499237 Canada inc. The Office of Inspector General then asked whether Steve Lenfesty also signed the bid form instead of him. Raymond Lizotte responded [TRANSLATION] "probably," adding that he did not remember why Steve Lenfesty signed Raymond Lizotte's name.



7. Analysis of the facts

7.1 *Inspector General's power to intervene*

The Inspector General's power to intervene is set out in section 57.1.10 of the Charter:

57.1.10. The inspector general may cancel any contracting process involving a contract of the city or of any legal person described in subparagraph 1 of the fifth paragraph of section 57.1.9, or rescind or suspend the carrying out of such a contract if the inspector general:

- (1) finds that any of the requirements specified in a document of the call for tenders or a contract has not been met or that the information provided in the contracting process is false; and
- (2) is of the opinion that the seriousness of the breach observed justifies the cancellation, rescinding or suspension.

[...]

Under this provision, to be able to rescind a contract, the Inspector General must find that a bidder has not complied with a requirement in the tender documents or the contract, or has provided false information during the contracting process. He must also be of the opinion that the breaches observed are sufficiently serious to rescind the contracts.

Important changes were made to the CMP in August 2016. The CMP forms an integral part of the tender documents and its provisions are contractual clauses that bidders and their signatories agree to respect when they submit a bid in response to a call for tenders issued by the City.

The new version of the CMP applied to both call for tenders 16-15650 and 16-15716.

Section 17 of the CMP contains a general prohibition on collusion, attempts at collusion and the use of fraudulent tactics:

17. [TRANSLATION] No one may, directly or indirectly, when preparing or presenting a bid or a contract by mutual agreement, participate or attempt to participate in collusion, corruption, a fraudulent tactic or other similar illegal act that could undermine the integrity of the tender process, the choice of a contracting party by mutual agreement or the management of the resulting contract.

In submitting a bid or agreeing to a contract by mutual agreement with the City, the signatory solemnly declares that the bidder or the party to a contract by mutual agreement did not violate, directly or indirectly, the first paragraph.

In section 19, the CMP also prohibits any party contracting with the City from doing business with a subcontractor listed in the Register of Persons Excluded Pursuant to the CMP:

19. [TRANSLATION] The party contracting with the City shall not conduct business with a subcontracted excluded from calls for tenders or contracts by mutual agreements with the City.

As regards penalties, section 32 of the CMP stipulates that in the event of non-compliance with section 17, the party contracting with the City will be excluded from all calls for tenders or contracts by mutual agreement with the City for five (5) years as of the date the offence is discovered:

32. [TRANSLATION] A contracting party whose contract was rescinded or could have been rescinded under section 29 is excluded from calls for tender and contracts by mutual agreement with the City for:

[...]

- (3) five (5) years following the discovery of incomplete or non-compliant information in the solemn declaration made under the second paragraph of section 17 or of non-compliance with the first paragraph of section 17.

Similarly, under section 34 of the CMP, a party contracting with the City that does business with a subcontractor listed in the Register of Persons Excluded Pursuant to the CMP is subject to the same penalty:

34. [TRANSLATION] A contracting party whose contract was rescinded or could have been rescinded in accordance with section 30 due to a violation of the second paragraph of section 18 or of section 19 shall be excluded from calls for tender and contracts by mutual agreement with the City for three (3) years as of the discovery of the violation.

Moreover, section 35 of the CMP stipulates that any associate of a party contracting with the City that violates the CMP, including any legal person or partnership associated with the contracting party, is also excluded from contracting with the City for the same period:

35. [TRANSLATION] The associate of a bidder or of another party contracting with the City who violates this policy, resulting or potentially resulting in the rejection of the bid or rescinding of the contract, shall be excluded from calls for tenders and contracts by mutual agreement with the City for the same period as provided in this policy for the bidder or contracting party, subject to the exception provided at the end of the preceding section.

The exclusion in the first paragraph also applies during the same period:

- 1° to legal persons where the associate is a director, officer or holder of shares carrying at least 10% of the voting rights attached to the shares of the capital stock of the legal person and exercisable in all circumstances;
- 2° to a general or limited or undeclared partnership, where the associate is a partner or officer.



The Inspector General relied on these provisions to carefully analyze all the facts gathered during the investigation.

7.2 Towing contracts obtained by Remorquage BL

The Inspector General's investigation shows that the agreement between Réal Tourigny and Brigitte Lévesque constitutes a fraudulent tactic within the meaning of section 17 of the CMP. The purpose of the agreement was to continue the towing activities and to continue obtaining contracts from the City despite the fact that Réal Tourigny and *Auto Cam 2000* were listed in the Register of Persons Excluded Pursuant to the CMP.

In fact, the two (2) spouses agreed to purchase the tow trucks belonging to *Auto Cam 2000* through 9335-5139 Québec inc. This company, initially created and headed by Réal Tourigny on January 15, 2016, was inactive at the time. It was acquired at no cost by Brigitte Lévesque, who made sure to remove Réal Tourigny from the list of officers and shareholders so that she could purchase the tow trucks, on the condition that the company secure towing contracts from the City.

Brigitte Lévesque admitted that the Inspector General's decision of September 26, 2016 was the reason she decided to acquire 9335-5139 Québec inc. and that had Réal Tourigny and *Auto Cam 2000* not be excluded from contracting with the City, her husband would have kept the tow trucks and continued operating under *Auto Cam 2000*. She said it was [TRANSLATION] “a snap decision,” whereas Réal Tourigny told the Office of Inspector General that it was a lawyer who suggested that Brigitte Lévesque start a business.

According to the information in the REQ, Réal Tourigny was removed as president and stopped being a shareholder of 9335-5139 Québec inc. on August 1, 2016, at which point Brigitte Lévesque took over his duties. However, when questioned in this regard, Brigitte Lévesque said that she only became the company's president and sole shareholder on November 9 or 10, 2016, which is when she added the name “*Remorquage BL*” to carry out towing activities. Documents from the Québec Revenue Agency (*Revenu Québec*) and the Canada Revenue Agency confirm that company-related information was sent on November 10, 2016 and that it registered for GST/HST and QST accounts on November 21, 2016.

In her response to the Notice from the Office of Inspector General, Brigitte Lévesque maintained her version of the facts. This version is consistent with the reasons she gave to justify buying her husband's company, i.e. the Inspector General's decision. In fact, on August 1, 2016, the Inspector General had not yet rendered the decision recommending that Réal Tourigny and *Auto Cam 2000* be excluded from contracting with the City.

Even after *Remorquage BL* submitted a bid and the bids were opened for call for tenders 16-15716, *Remorquage BL* still existed only on paper, was not active, had no employees

and had no premises. And Brigitte Lévesque had no idea how her company would operate to carry out the contracts. At that point, Brigitte Lévesque knew that her company was the lowest bidder in several boroughs and had already submitted the required bid guarantees, amounting to \$38,000, which she knew she could lose if her company could not carry out the contracts.

Still more surprising, on December 1, 2016, Brigitte Lévesque told the Office of Inspector General that she did not know how much it would cost to purchase the tow trucks because, as she said, she wasn't [TRANSLATION] "there yet."

However, fourteen (14) contracts for the purchase of *Auto Cam 2000*'s tow trucks by *Remorquage BL* are all dated November 25, 2016 and indicate the total purchase price, including taxes.

The Inspector General is faced with contradictory documentary and testimonial evidence. Although the sales contracts are dated November 25, 2016, Brigitte Lévesque told the Office of Inspector General that as of December 1, 2016, the parties had still not established the purchase price for the tow trucks.

The only way Brigitte Lévesque's version of the facts can be considered credible is to conclude that the fourteen (14) contracts were prepared and backdated to November 25, 2016. The Inspector General notes in this regard that he only obtained access to the fourteen (14) contracts between *Remorquage BL* and *Auto Cam 2000* on February 1 and 7, 2017, after Brigitte Lévesque was interviewed by his representatives (December 1, 2016).

In her response to the Notice, Brigitte Lévesque maintained that on December 1, 2016, she did not know the total purchase price of the tow trucks including taxes and fees because they were only purchased on December 13, 2016, after she was interviewed by the Office of Inspector General. That is how the Inspector General learned that the sales contracts were not signed on November 25, 2016, as indicated, but on December 13, 2016.

The Inspector General therefore seriously questions the context in which these contracts were signed, all the more since Brigitte Lévesque said on December 1, 2016, that [TRANSLATION] "to be honest, the tow trucks aren't mine."

The Office of Inspector General interviewed Brigitte Lévesque again on February 1, 2017. At that point in time, the towing contracts obtained by *Remorquage BL* were in progress. Brigitte Lévesque stated that she still worked for *Auto Cam 2000*, earning \$340 a week, to handle the company's administrative work, accounting, bid preparation and billing. Brigitte Lévesque added that she does exactly the same work at *Remorquage BL*, the only difference being that she is a shareholder.

Therefore, it seems that *Auto Cam 2000*'s operations have been replicated under *Remorquage BL*. For instance, *Remorquage BL* occupies the same premises and garage as *Auto Cam 2000*, *Remorquage BL*'s driver manager is working in this same capacity for *Auto Cam 2000* and the employees assigned to contracts obtained by *Remorquage BL*



are almost all former *Auto Cam 2000* employees. All these facts were confirmed by Brigitte Lévesque in her response to the Notice.

When questioned about Réal Tourigny's role, despite changing her story between December 1, 2016 and February 1, 2017, Brigitte Lévesque admitted that her husband helped her with the trucks' maintenance, part ordering and dispatching. In her response to the Notice, Brigitte Lévesque specified, however, that *Remorquage BL* paid for the auto parts and that it was not Réal Tourigny who repaired the tow trucks.

In fact, Réal Tourigny also helps Brigitte Lévesque financially to support *Remorquage BL*'s activities, although they never discussed the repayment terms.

The investigation showed that *Auto Cam 2000* assumes almost all *Remorquage BL*'s expenses. In her response to the Notice, Brigitte Lévesque confirmed this fact.

Two (2) large transfers from *Auto Cam 2000* totalling \$48,000 were used by *Remorquage BL* for the bid guarantees required for call for tenders 16-15716 and to pay for insurance for the tow trucks. *Auto Cam 2000* also paid the transaction fees on behalf of *Remorquage BL* at the SAAQ and BTM, as well as a part of the salary of a *Remorquage BL* employee. As of February 1, 2017, these costs had still not been reimbursed by *Remorquage BL*.

Lastly, it appeared that *Remorquage BL* had still not paid for the tow trucks as of February 1, 2017 and does not pay any rent for using *Auto Cam 2000*'s premises and garage. *Remorquage BL* even uses *Auto Cam 2000*'s gas tank for the City contracts without any system to calculate how much gas is being used by each company.

The investigation showed that *Remorquage BL* owes *Auto Cam 2000* a total of \$207,293.33.

In her response to the Notice, Brigitte Lévesque explained that she is repaying *Auto Cam 2000* as she gets paid by the City for the contracts her company obtained. *Remorquage BL*'s bank statements corroborate that the repayments to *Auto Cam 2000* have begun.

However, the repayments began only after the Office of Inspector General interviewed Brigitte Lévesque twice. Would this have been the case had the Office of Inspector General not launched an investigation? The Inspector General has serious doubts in this regard, particularly since Réal Tourigny and Brigitte Lévesque never discussed any repayment terms.

What's more, they made several attempts, right from the outset of the investigation, to make the agreement between them appear legitimate. In this regard, the Inspector General wishes to point out that he expressed serious reservations about the sales contracts, believing that they were concluded only after the Office of Inspector General interviewed Brigitte Lévesque and Réal Tourigny on December 1, 2016 and backdated to November 25, 2016.

In her response to the Notice, Brigitte Lévesque explained that she still works for *Auto Cam 2000* since the contracts obtained by *Remorquage BL* are seasonal and do not [TRANSLATION] "stop [her] from doing a good job for the City." She also told the Inspector General that after her husband lost his contracts with the City, she saw an opportunity to

go into business since she had gained experience in the towing business while working for *Auto Cam 2000*.

At this point, the Inspector General would like to mention that Brigitte Lévesque always cooperated with the Office of Inspector General's representatives during the investigation and does not seem to have hidden her involvement in the tactics she and Réal Tourigny used in the fall of 2016.

Still, this does not change the Inspector General's conclusion.

The fact is that *Remorquage BL* is a front for *Auto Cam 2000*. Réal Tourigny deliberately withdrew as officer and shareholder of the company and transferred the company to his wife. Changes in the REQ suggest that the company was acquired by Brigitte Lévesque on August 1, 2016, before the Inspector General issued his decision which excluded Réal Tourigny and *Auto Cam 2000* from contracting with the City. However, according to Brigitte Lévesque, this date is not correct. She maintains that she became president and shareholder of the company created by her husband in mid-November, in other words, after the Inspector General's decision. According to the Inspector General, the concrete effect of the change retroactive to August 1, 2016 was to try and show that there was no connection between the tactics used and the Inspector General's decision of September 26, 2016.

The Inspector General concludes from the facts presented that the initial intention of Réal Tourigny and Brigitte Lévesque was to use *Remorquage BL* to enable *Auto Cam 2000* to continue doing business and obtaining contracts from the City, despite the Inspector General's decision of September 26, 2016 and the listing of the company and Réal Tourigny in the Register of Persons Excluded Pursuant to the CMP until September 25, 2021.

7.3 Towing contracts obtained by Excavation Anjou inc.

The Inspector General's investigation shows that the agreement between Jean-Marc Lelièvre and Yvan Dubé constitutes a fraudulent tactic within the meaning of section 17 of the CMP. The fact is that *Excavation Anjou inc.* is a front used by Jean-Marc Lelièvre and *Remorquage Taz inc.* to continue obtaining towing contracts from the City despite the Inspector General's decision of September 26, 2016 and the listing in the Register of Persons Excluded Pursuant to the CMP until September 25, 2021.

The facts gathered during the investigation reveal that, after the Inspector General recommended his exclusion from contracting with the City on September 26, 2016, Jean-Marc Lelièvre took steps to sell the tow truck fleet of *Remorquage Taz inc.* to *Excavation Anjou inc.*

When approached by Jean-Marc Lelièvre, Yvan Dubé knew that Jean-Marc Lelièvre had been excluded from contracting with the City. Despite the fact that he and his company had never worked in the towing business, Yvan Dubé ultimately accepted Jean-Marc



Lelièvre's proposal, conditional on *Excavation Anjou inc.* obtaining towing contracts from the City.

In the response to the Notice, *Excavation Anjou inc.*'s lawyer invited the Inspector General to analyze the transaction between his client and *Remorquage Taz inc.* taking into account some facts. First, he said, the transaction took place two (2) days before the bid submission deadline for call for tenders 16-15650. Then, he pointed out that Yvan Dubé was told by a City representative that he had to be the owner of the tow trucks he planned to use for the contracts and that he could buy them from anyone, even from a person listed in the Register of Persons Excluded Pursuant to the CMP. *Excavation Anjou inc.* thus claims that logically, the contracts concluded could not have been conditional on obtaining contracts from the City.

In the opinion of the Inspector General, these arguments do not alter the conclusion at which he arrived after carefully analyzing the facts gathered during the investigation. *Excavation Anjou inc.* could indeed purchase the tow trucks from *Remorquage Taz inc.* to perform the City contracts. However, the investigation showed that in fact, *Excavation Anjou inc.* was used as a front to allow Jean-Marc Lelièvre to circumvent his exclusion from contracting with the City.

The investigation also revealed a great deal of confusion in the agreement between Jean-Marc Lelièvre and Yvan Dubé. Several contracts concluded at different times by *Remorquage Taz inc./Sciage de Béton Métropole inc.* and *Excavation Anjou inc.* were all for the purchase of the same tow trucks. First, two (2) contracts for the purchase of twenty (20) tow trucks were signed on October 29, 2016 and are included in the bid documents submitted by *Excavation Anjou inc.* in response to call for tenders 16-15650. About ten (10) days later, on November 11, 2016, four (4) more contracts were signed for the sale of fifteen (15) of the same tow trucks. Three (3) of these contracts are not signed and the price of one of the tow trucks is even different. Then, on December 1 and 12, 2016, two (2) additional contracts were signed for the purchase of three (3) tow trucks, the same trucks contemplated by the contracts of October 29, 2016.

Only the four (4) contracts of November 11, 2016 are recorded in the books of *Excavation Anjou inc.*'s suppliers. As of January 17, 2017, *Excavation Anjou inc.* had not paid for any of the tow trucks. The investigation further showed that Jean-Marc Lelièvre and Yvan Dubé did not agree on when *Excavation Anjou inc.* would pay *Remorquage Taz inc.* and *Sciage de Béton Métropole inc.* for the tow trucks purchased.

Several key elements are missing in the contracts, i.e. terms of sale, payment terms and conditions, and the date of possession of the tow trucks. In fact, it turns out that nothing is in order.

On another note, the Inspector General found that Jean-Marc Lelièvre and *Remorquage Taz inc.* assume many of the expenses associated with the towing activities of *Excavation Anjou inc.*, which as of January 17, 2017, had yet to reimburse them.

In fact, in addition to not having been paid for the tow trucks, *Remorquage Taz inc.* issued a cheque of \$40,000 to *Excavation Anjou inc.* to cover the bid guarantees submitted by

Excavation Anjou inc. in call for tenders 16-15650. The investigation showed that Jean-Marc Lelièvre and Yvan Dubé tried to conceal this payment by pretending that it was to purchase a snowblower.

As regards the tow truck repairs and inspections, these are performed by Jean-Marc Lelièvre and the employees of *Remorquage Taz inc.*, which absorbs the associated costs. The tow trucks purchased by *Excavation Anjou inc.* are also stored in the garage of *Remorquage Taz inc.* at absolutely no charge. Jean-Marc Lelièvre is also the one who proceeded to have “*Excavation Anjou inc.*” lettering placed on the tow trucks and paid for its installation.

Lastly, Jean-Marc Lelièvre admitted that he himself paid, in cash, almost all the individuals assigned to the City towing contracts obtained by *Excavation Anjou inc.* Although Yvan Dubé tried to convince the Office of Inspector General that an employment agency paid the workers, the investigation revealed that this is not the case and that in fact, Yvan Dubé took steps to create this agency after he was interviewed and confronted by the Inspector General's representatives in this investigation.

As regards the fees for the transactions made at the BTM on behalf of *Excavation Anjou inc.*, there is so much confusion that Jean-Marc Lelièvre and Yvan Dubé cannot even agree on who paid the fees. According to Jean-Marc Lelièvre, he paid all the fees, which amounted to \$4,221, whereas according to Yvan Dubé, Jean-Marc Lelièvre only paid a portion (\$1,221).

Another reason the Inspector General questions who really carries out the towing contracts obtained by *Excavation Anjou inc.* is the role played by Jean-Marc Lelièvre in this regard.

Yvan Dubé and Jean-Marc Lelièvre maintained that Jean-Marc Lelièvre is now an employee of *Excavation Anjou inc.*, even though no employment contract exists to this effect. Moreover, the investigation showed that Jean-Marc Lelièvre received his first pay cheque only when the Office of Inspector General began interviewing certain representatives of *Excavation Anjou inc.* Although he has been working for *Excavation Anjou inc.* since the beginning of the 2016-2017 winter season, his first pay cheque – dated January 7, 2017 – only covers the period of January 1 to 7, 2017 and was prepared at the request of Yvan Dubé on January 11, 2017, who also asked that it be backdated.

The description of Jean-Marc Lelièvre's duties – from preparing bid documents to carrying out towing contracts – leads to the conclusion that Jean-Marc Lelièvre is more than just an employee.

In fact, Jean-Marc Lelièvre, by his own admission, advised Yvan Dubé on the key information to be included in the bid documents submitted by *Excavation Anjou inc.* in response to call for tenders 16-15650. In particular, he told him in which sectors the company should bid, the number of tow trucks it should propose and the hourly rates it should bid.

Jean-Marc Lelièvre also acted as *Excavation Anjou inc.*'s authorized representative at the BTM, having obtained a proxy from Yvan Dubé on December 2, 2016. Thus, Jean-Marc



Lelièvre went alone to the BTM on December 5 and 7, 2016 to obtain the operating permit and tow truck transport permits for *Excavation Anjou inc.*

In terms of carrying out the City towing contracts obtained by *Excavation Anjou inc.*, Jean-Marc Lelièvre is the person in charge. By his own admission, Jean-Marc Lelièvre handles everything; he manages and oversees the towing operations, dispatches the tow trucks, calls the drivers, delivers their training, collects and checks the drivers' time sheets, fields calls from the City, repairs the tow trucks, hires the staff and pays the workers. In his words, he [TRANSLATION] "run[s] the business to provide service to the City." Lastly, the employees carrying out the contracts for *Excavation Anjou inc.* used to work for *Remorquage Taz inc.*

Yvan Dubé seems to let Jean-Marc Lelièvre handle all the towing operations of *Excavation Anjou inc.* He gives him carte blanche where the towing operations are concerned. In fact, it was Jean-Marc Lelièvre and not Yvan Dubé who submitted the bid for *Excavation Anjou inc.* and who attended the bid opening for calls for tenders 16-15650 and 16-15716.

In its response to the Notice, *Excavation Anjou inc.* stated that Jean-Marc Lelièvre's experience was enlisted to prepare the bids and set up operations, but his lawyer said that's how it had to be because the company's main line of business has always been snow removal. *Excavation Anjou inc.* hence confirmed the key role played by Jean-Marc Lelièvre within the company, both in preparing the bid and setting up the towing operations. Without him, *Excavation Anjou inc.* would have been unable to bid on calls for tender 16-15650 and 16-15716.

In the Inspector General's opinion, Jean-Marc Lelièvre's role is one more reason to doubt the purpose of the agreement concluded between Jean-Marc Lelièvre and Yvan Dubé.

There is every reason to believe that the agreement for the sale of the tow trucks is fake and seeks to hide the real situation to allow Jean-Marc Lelièvre to operate and continue obtaining contracts from the City. Jean-Marc Lelièvre's and Yvan Dubé's claim that Jean-Marc Lelièvre is now an employee of *Excavation Anjou inc.* appears to be a tactic to try and show compliance with the provisions of the CMP.

The Inspector General concludes that a fraudulent tactic, within the meaning of section 17 of the CMP, was used. How can a seller agree to transfer ownership of its tow trucks without obtaining payment from the buyer? Proceeding in this manner defies the rules of prudence.

The Inspector General therefore questions whether the tow trucks belonging to *Remorquage Taz inc.* were really transferred to *Excavation Anjou inc.* As it turns out, several tow trucks registered to *Excavation Anjou inc.* that still bore the logo of *Remorquage Taz inc.* had even been used for contracts obtained by *Excavation Anjou inc.* Even Jacques Dubé, who is the minority shareholder of *Excavation Anjou inc.* and Yvan Dubé's brother, said he believed his company is a front for *Remorquage Taz inc.*'s towing operations.

In its response to the Notice, *Excavation Anjou inc.*, through its lawyer, admitted that there was [TRANSLATION] "some overlap in the parties' roles and obligations" that could lead

one to think that the company is a front for Jean-Marc Lelièvre. The lawyer explained that the reason for the [TRANSLATION] “chaotic situation” is the short period between setting up the towing activities, obtaining contracts and starting operations. He argued that Yvan Dubé and Jacques Dubé now plan to rectify the situation and that is precisely why they hired a lawyer so that [TRANSLATION] “this new activity becomes an integral part of *Excavation Anjou inc.* and is managed and controlled only” by them.

Moreover, in its response to the Notice, *Excavation Anjou inc.* also undertakes to finish paying the amounts due to *Remorquage Taz inc.* by the end of April 2017, which is when Jean-Marc Lelièvre will stop working for the company. The company also undertakes to provide documents attesting to the steps taken and claims today that its conduct was [TRANSLATION] “due to an urgent situation that was mismanaged by the main stakeholders.”

In the opinion of the Inspector General, these elements are an attempt to justify, after the fact, the facts revealed by the investigation. *Excavation Anjou inc.* now informs the Inspector General that it will try to rectify the “chaotic” situation and that the towing operations will be reorganized, with the assistance of a lawyer, so that it is managed and controlled by Yvan Dubé and Jacques Dubé. However, during the investigation, there was never any question of reorganizing the company and reimbursing the entire amount due to *Remorquage Taz inc.* at the end of April. Similarly, whereas *Excavation Anjou inc.* now says that Jean-Marc Lelièvre will stop working for the company in April 2017, the Inspector General wishes to point out that Yvan Dubé told the Office of Inspector General during the investigation that Jean-Marc Lelièvre would work for *Excavation Anjou inc.* for the next two (2) winter seasons, in other words, until 2018.

It is therefore only when faced with the investigation's findings that the company and its representatives changed their minds. Would this have been the case had the Office of Inspector General not launched an investigation? The Inspector General seriously doubts it.

The Inspector General wishes to point out the many contradictions in the statements made by Jean-Marc Lelièvre and Yvan Dubé during their respective interviews. Not only were their versions different, they contradicted themselves and backtracked during the same interview. As far as the Inspector General is concerned, Jean-Marc Lelièvre and Yvan Dubé do not appear credible. When confronted with certain facts, both tried to justify themselves and find a way to legitimize their actions.

7.4 Towing contracts obtained by 9499237 Canada inc.

As was the case for *Remorquage Taz inc.* and *Excavation Anjou inc.*, the Inspector General's investigation revealed that the agreement between Steve Lenfesty and Raymond Lizotte constitutes a fraudulent tactic within the meaning of section 17 of the CMP. The fact is that 9499237 Canada inc. is a front used by Steve Lenfesty and *Remorquage Mobile* to continue obtaining towing contracts from the City despite the



Inspector General's decision of September 26, 2016 and the listing in the Register of Persons Excluded Pursuant to the CMP until September 25, 2021.

Moreover, the investigation showed that 9499237 Canada inc. provided the City with false information and falsified documents in its response to call for tenders 16-15716 to hide the fact that *Remorquage Mobile* is actually a subcontractor for 9499237 Canada inc., in violation of section 19 of the CMP.

Based on the facts gathered during the investigation, after the Inspector General recommended that he be listed in the Register of Persons Excluded Pursuant to the CMP, Steve Lenfesty approached his long-time friend Raymond Lizotte to offer him the opportunity to rent or buy *Remorquage Mobile*'s tow trucks. The two (2) decided on a rental agreement rather than a purchase.

In all, fourteen (14) or fifteen (15) *Remorquage Mobile* tow trucks were rented to 9499237 Canada inc., a company that had not conducted any business since its creation on November 4, 2015.

Already at this stage, Steve Lenfesty's and Raymond Lizotte's versions do not match. According to Steve Lenfesty, as of January 25, 2017, the cost of the tow truck rental had still not been determined, whereas according to Raymond Lizotte, the rental price was \$25 per hour per truck.

Based on Steve Lenfesty's role at 9499237 Canada inc., it is clear that, in fact, he continued to carry out City towing contracts, as he did when he ran *Remorquage Mobile*, before he was listed in the Register of Persons Excluded Pursuant to the CMP.

Despite Steve Lenfesty's changing versions and attempts to downplay his role, the Inspector General concludes from the facts gathered during the investigation that Steve Lenfesty helped prepare the bid documents submitted by 9499237 Canada inc. in response to call for tenders 16-15716.

The investigation further revealed that Steve Lenfesty manages the towing activities of 9499237 Canada inc. He admitted that he supervises the towing operations, dispatches the tow trucks, places jobs ads in newspapers, accompanies Raymond Lizotte to meetings with boroughs with which 9499237 Canada inc. has towing contracts and fields calls from employees who want to be paid. Steve Lenfesty is also the one who is showing Raymond Lizotte the ropes about the towing business.

As well, the employees of 9499237 Canada inc. assigned to the City towing contracts are almost all former employees of *Remorquage Mobile*. Even the secretary, who collects the employees' time sheets, is a former *Remorquage Mobile* employee. The remaining employees hired by 9499237 Canada inc. were recruited through a newspaper ad placed by Steve Lenfesty and in which he was listed as the contact person.

Lastly, Steve Lenfesty is the authorized representative of 9499237 Canada inc. at the BTM, having obtained a proxy from Raymond Lizotte on December 6, 2016.

Moreover, the activities of 9499237 Canada inc. are actually financed by Steve Lenfesty and *Remorquage Mobile*. Steve Lenfesty and *Remorquage Mobile* continued to cover all

the company's expenses despite the fact that as of January 25, 2017, 9499237 Canada inc. had still not paid for the tow trucks' rental. Steve Lenfesty admitted that he has not yet not been reimbursed for the newspaper ads, the ownership transfer of the tow trucks at the SAAQ and the BTM transaction fees. Moreover, the tow trucks registered to 9499237 Canada inc. are stored at *Remorquage Mobile*'s garage and are repaired by Steve Lenfesty at no cost.

Steve Lenfesty explains this by saying that 9499237 Canada inc. still does have enough cash flow and said that it's [TRANSLATION] "normal" that he absorbs all the costs, despite the fact that the company does not belong to him.

There is every reason to believe that the purpose of the agreement between Steve Lenfesty and Raymond Lizotte is to allow Steve Lenfesty and *Remorquage Mobile* to operate and to continue obtaining contracts from the City. Indeed, how can Steve Lenfesty agree to assume the expenses of a company that does not belong to him if, as he himself admits, he is not paid for the work he does at 9499237 Canada inc.?

But there is more. Although 9499237 Canada inc. presents itself to the City as the owner of the tow trucks used to carry out the contracts obtained, the investigation revealed that, actually, the company rents the tow trucks from *Remorquage Mobile*, a company listed in the Register of Persons Excluded Pursuant to the CMP.

Steve Lenfesty and Raymond Lizotte both admitted that although the ownership of the tow trucks was transferred to 9499237 Canada inc. at the SAAQ, their agreement stipulates that 9499237 Canada inc. is renting the tow trucks from *Remorquage Mobile*.

The SAAQ registration certificates evidencing the ownership transfer of the tow trucks used by 9499237 Canada inc. to carry out the towing contracts is nothing but a smoke screen. Despite ownership on paper, the purpose of the agreement between Steve Lenfesty and Raymond Lizotte was in fact the rental of the tow trucks owned by *Remorquage Mobile*.

9499237 Canada inc. provided the City with the registration certificates of the tow trucks for call for tenders 16-15716, as proof of ownership. Raymond Lizotte justified this way of proceeding by claiming that the tender documents required that the tow trucks be registered to the bidder. However, an analysis of these documents revealed that this was not the case and that the City allowed bidders to rent the tow trucks.

The truth is that 9499237 Canada inc. could not rent the tow trucks from *Remorquage Mobile* for the contracts obtained from the City because if it did so, it would be subcontracting with a company listed in the Register of Persons Excluded Pursuant to the CMP, in violation of section 19 of the CMP.

The Inspector General therefore concludes that 9499237 Canada inc. provided the City with false information in the contracting process within the meaning of section 57.1.10 of the Charter by submitting registration certificates intimating its ownership of the trucks when in fact they still belonged to *Remorquage Mobile*. Moreover, in the Inspector General's view, *Remorquage Mobile* is actually a subcontractor for 9499237 Canada inc., and as a result, the latter is in violation of section 19 of the CMP. The Inspector General



considers that this situation also constitutes a fraudulent tactic within the meaning of section 17 of the CMP.

But that's not all. The investigation revealed that 9499237 Canada inc. also provided the City with falsified documents in response to call for tenders 16-15716 because Steve Lenfesty forged Raymond Lizotte's signature both on the bid form and on the tow truck registration certificates submitted.

Here again, the Inspector General wishes to point out the many contradictions between Steve Lenfesty and Raymond Lizotte's accounts during their respective interviews. Not only did their versions differ on certain topics, they contradicted their own accounts by backtracking on their statements. The Inspector General does not find Steve Lenfesty and Raymond Lizotte credible. When confronted with certain facts, both tried to justify themselves and find a way to legitimize their actions.

8. Conclusions

It is important to note that the Office of Inspector General constantly monitors the files it has investigated and in which it has intervened either by means of a recommendation report, a decision or an internal intervention without filing a public report.

The day after he delivered the decision of September 26, 2016, the Inspector General decided to monitor the business activities of Jean-Marc Lelièvre, Steve Lenfesty, Réal Tourigny and their respective companies. The reason for the decision to immediately begin monitoring these individuals was to prevent them from resorting to tactics and to once again try to obtain contracts from the City.

The investigative work therefore continued, and extensive information was gathered even before the individuals under investigation were interviewed. This information proved extremely useful and made the Inspector General realize that after-the-fact justifications provided during meetings with the Inspector General's representatives did not hold water. It quickly became clear that the actions of Jean-Marc Lelièvre, Yvan Dubé, Steve Lenfesty, Raymond Lizotte, Réal Tourigny and Brigitte Lévesque were attempts to protect their interests and to find a strategy to extricate themselves when confronted with damning facts.

Considering all the facts described at length in this decision, the Inspector General concludes from the evidence that the bids submitted by *Excavation Anjou inc.*, 9499237 Canada inc. and *Remorquage BL* in response to calls for tenders 16-15650 and 16-15716 all violate section 17 of the CMP.

The arrangements constitute fraudulent tactics designed to conceal the true identity of the individuals carrying out City contracts. The goal of all the agreements was to allow the contractors listed in the Register of Persons Excluded Pursuant to the CMP, i.e. Jean-Marc Lelièvre (*Remorquage Taz inc.*), Steve Lenfesty (*Remorquage Mobile*) and Réal Tourigny (*Auto Cam 2000*), to continue their towing operations for the City through new companies as if nothing had ever happened.

Thus, the bids submitted by *Excavation Anjou inc.* (calls for tenders 16-15650 and 16-15716), 9499237 Canada inc. (call for tenders 16-15716) and *Remorquage BL* (call for tenders 16-15716) do not meet the requirements of the tender documents within the meaning of section 57.1.10 of the Charter.

Moreover, the bid submitted by 9499237 Canada inc. in response to call for tenders 16-15716 violates section 19 of the CMP since in fact, 9499237 Canada inc. rents the tow trucks from *Remorquage Mobile*. The company therefore used a subcontractor that was excluded from calls for tenders and contracts by mutual agreement with the City.

Lastly, the bid submitted by 9499237 Canada inc. in response to call for tenders 16-15716 contains false information and falsified documents within the meaning of section 57.1.10 of the Charter. The fact is that during the contracting process, the company provided the City with documents stating that it owned the trucks, thereby hiding its real agreement with *Remorquage Mobile*. In the same manner, Raymond Lizotte's signature on the bid form of 9499237 Canada inc. and on the tow truck registration certificates delivered by the SAAQ was falsified and forged by Steve Lenfesty. The falsified documents were thus provided to the City by 9499237 Canada inc. in call for tenders 16-15716.

The Inspector General considers that the facts revealed during the investigation clearly show the fraudulent tactics employed by Jean-Marc Lelièvre (*Remorquage Taz inc.*) and Yvan Dubé (*Excavation Anjou inc.*), by Steve Lenfesty (*Remorquage Mobile*) and Raymond Lizotte (9499237 Canada inc.), and by Réal Tourigny (*Auto Cam 2000*) and Brigitte Lévesque (*Remorquage BL/9335-5139 Québec inc.*).

These fraudulent tactics were used not only to allow the contractors listed in the Register of Persons Excluded Pursuant to the CPM to continue obtaining contracts from the City, but worse yet, they were used to get back the sectors in which they had been awarded contracts that were rescinded following the Inspector General's decision of September 26, 2016.

In fact, after examining the City's decision-making files, the Inspector General was surprised to learn that after the City re-issued the call for tenders, *Excavation Anjou inc.*, 9499237 Canada inc. and *Remorquage BL* (9335-5139 Québec inc.) managed to hold onto the sectors for which *Remorquage Taz inc.*, *Remorquage Mobile* and *Auto Cam 2000* had had their contracts rescinded in fall 2016.



Previous Successful Bidders	Borough	New Calls for Tenders	New Successful Bidders
Remorquage Taz inc. following call for tenders 15-14685 for 3 tow trucks	Rivière-des-Prairies–Pointe-aux-Trembles	16-15650	Excavation Anjou inc. for 2 tow trucks (Decision-making summary 1162726032)
Remorquage Taz inc. following call for tenders 15-14538 for 4 tow trucks	Villeray–Saint-Michel–Parc-Extension	16-15650	Excavation Anjou inc. for 4 tow trucks (Decision-making summary 1164969007)
Remorquage Taz inc. Following following call for tenders 14-14050 for 6 tow trucks	Ville-Marie	16-15650	Excavation Anjou inc. for 4 tow trucks (Decision-making summary 1167203013)
Remorquage Taz inc. following call for tenders 15-14685 for 3 tow trucks	Le Plateau-Mont-Royal	16-15650	Excavation Anjou inc. for 3 tow trucks (Decision-making summary 1167521001)
Auto Cam 2000 following call for tenders 15-14628 for 6 tow trucks	Rosemont–La Petite-Patrie	16-15716	Remorquage BL for 4 tow trucks (Decision-making summary 1166957005)
		16-15650	Excavation Anjou inc. for 2 tow trucks (Decision-making summary 1166957005)
Remorquage Mobile following call for tenders 13-13149 for 4 tow trucks	Sud-Ouest	16-15716	9499237 Canada inc. for 4 tow trucks (Decision-making summary 1160663005)
Remorquage Mobile following call for tenders TP-TECH-2011-16 for 4 tow trucks	Côte-des-Neiges–Notre-Dame-de-Grâce	16-15716	9499237 Canada inc. for 2 tow trucks (Decision-making summary 1164795003)
			Remorquage BL for 2 tow trucks (Decision-making summary 1164795003)
Remorquage Mobile following calls for tenders 15-14685 and 15-14622 for 4 tow trucks	LaSalle	16-15716	Remorquage BL for 4 tow trucks (Decision-making summary 2173837001)
Remorquage Mobile following call for tenders 15-14685	Montréal-Nord	16-15716	Excavation Anjou inc. for 2 tow trucks (Decision-making summary 1163602021)
			Remorquage BL for 1 tow truck (Decision-making summary 1163602021)

The contractors' actions are not only an affront to the Inspector General's decisions but also to the measures implemented by the City to prevent Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny from obtaining contracts from the City. These actions seek to circumvent City Council's decision to list these contractors and their respective companies in the Register of Persons Excluded Pursuant to the CMP until September 25, 2021, a decision made in accordance with the Inspector General's recommendations in the decision of September 26, 2016.

The legislator attached tremendous importance to the Inspector General's authority. He essentially stipulated that anyone who in any way hinders or attempts to hinder the performance of the Inspector General's duties by misleading him, refusing to hand over information or destroying information relevant to the execution of his mandate is guilty of an offence punishable by a fine.¹¹

The Inspector General wishes to point out that his mission includes ensuring compliance with the measures implemented by the City, in particular to fight collusion and other fraudulent tactics that undermine healthy competition. In this case, by adding Jean-Marc Lelièvre, Steve Lenfesty, Réal Tourigny and their companies to the Register of Persons Excluded Pursuant to the CMP, the elected officials sought to protect the integrity of the City's contracting process. Here, the contractors knowingly circumvented the decision of the elected officials.

In the opinion of the Inspector General, the facts revealed by the investigation unquestionably justify the rescinding of **all contracts awarded by the City** to *Excavation Anjou inc.*, 9499237 Canada inc. and 9335-5139 Québec inc., as well as the exclusion of the following individuals from calls for tenders and contracts by mutual agreement with the City for five (5) years:

- Companies contracting with the City, under sections 32 (3) and 34 of the CMP, i.e. *Excavation Anjou inc.*, 9499237 Canada inc. and *Remorquage BL* (9335-5139 Québec inc.);
- Persons associated with these companies who acted in a manner contrary to the CMP, under section 35 of the CMP, i.e. Yvan Dubé, Raymond Lizotte and Brigitte Lévesque;
- All legal persons and partnerships with which Yvan Dubé, Raymond Lizotte and Brigitte Lévesque are associated.

However, in terms of formulating recommendations with respect to Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny, the Inspector General is constrained for the following reasons:

¹¹ Section 57.1.16 of the Charter.



First, the Inspector General notes that Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny were not subject to the CMP in calls for tenders 16-15650 and 16-15716, because they are not considered “associates” of a bidder or of a party contracting with the City. The CMP defined “associate” as follows:

“In the case of a legal person, a director or any other officer of the legal person or a person holding shares carrying more than 10% of the voting rights attached to the shares of the capital stock of the legal person that may be exercised under any circumstances and, in the case of a general, limited or undeclared partnership, a partner or any other officer of the partnership.”

Second, the Inspector General notes that there is no increasing scale for the penalties in the CMP. In other words, no additional penalty is imposed on a person excluded from contracting with the City who again employs tactics contrary to the provisions of the CMP while listed in the Register of Persons Excluded Pursuant to the CMP.

The Inspector General deplors this situation since, as the investigation revealed, these people then have nothing to lose and can try, with impunity, to again violate the CMP without having the exclusion period extended.

Because of the wording of the CMP, the Inspector General cannot recommend that additional penalties be imposed on Jean-Marc Lelièvre, Steve Lenfesty, Réal Tourigny and their companies.

Still, the Inspector General believes that persons listed in the Register of Persons Excluded Pursuant to the CMP who continue to obtain contracts from the City by circumventing the measures implemented by the City Council should lose the right to contract with the City. By defying the decisions of the elected officials and the Inspector General, these individuals have permanently broken the bond of trust required to build a contractual relationship.

As the findings of this investigation show, it is imperative that highly dissuasive steps be taken to ensure compliance with all the measures implemented to combat collusion, corruption and fraudulent tactics in contract making and performance.

The Inspector General therefore considers that some changes are needed to the CMP. The Inspector General strongly recommends that the City again revisit its Contract Management Policy and evaluate, in this case, potential remedies and penalties against Jean-Marc Lelièvre, Steve Lenfesty and Réal Tourigny.

Based on the facts gathered during the investigation, the Inspector General considers that when revisiting the CMP, the Municipal Administration should rethink the definition of “associate” and evaluate the possibility of imposing additional penalties on persons who violate the CMP during their exclusion but that are not considered associates of bidders or parties contracting with the City, in particular with respect to their exclusion from the City.

The Municipal Administration is also encouraged to examine the types of ties likely to lead to the rejection of a bid and the rescinding of a contract already awarded under the CMP. In particular, it would be useful to consider the possibility of adding, as grounds for

rejecting a bid, rescinding a contract and listing in the Register of Persons Excluded Pursuant to the CMP the fact that a bidder's day-to-day operations related to carrying out contracts from the City are financed by a person or a company excluded from contracting with the City.

Lastly, following his verifications and investigation, the Inspector General believes that some of the contractors may have broken federal and Québec laws by engaging in collusion and committing fraud. In accordance with his enabling legislation, the Inspector General will report the situations observed to the Permanent Anti-Corruption Unit (UPAC).

In addition, the Inspector General will provide the *Autorité des marchés financiers* with certain information relevant to its mandate pertaining to the issue of authorization prior to obtaining public contracts or subcontracts.

As stipulated in section 57.1.18 of the Charter:

57.1.18. If, in the opinion of the inspector general, a federal or Québec law or a by-law or regulation made under such a law may have been contravened, and if the contravention pertains to corruption, malfeasance, collusion, fraud or influence peddling in, for example, the making or carrying out of contracts, the inspector general must, without delay, disclose the wrongdoing to the Anti-Corruption Commissioner. In addition, the inspector general shall send the *Autorité des marchés financiers* any information that may be relevant to its mandate under Chapter V.2 of the Act respecting contracting by public bodies (chapter C-65.1).

FOR THESE REASONS,

The Inspector General

RESCINDS all contracts awarded by the City to **Excavation Anjou inc.**, in particular the following.

RESCINDS the contract awarded to **Excavation Anjou inc.** on December 5, 2016, for an amount of \$313,364.36, following call for tenders **16-15650** for vehicle towing in the **Plateau-Mont-Royal borough**.

RESCINDS the contract awarded to **Excavation Anjou inc.** on December 6, 2016, for a total amount of \$108,996.30, following call for tenders **16-15650** for vehicle towing in the **Rosemont–La Petite-Patrie borough**.

RESCINDS the contract awarded to **Excavation Anjou inc.** on December 5, 2016, for a total amount of \$544,521.60, following call for tenders **16-15650** for vehicle towing in the **Villeray–Saint-Michel–Parc-Extension borough**.



RESCINDS the contract awarded to **Excavation Anjou inc.** on December 15, 2016, for a total amount of \$73,510.42, following call for tenders **16-15650** for vehicle towing in the **Rivière-des-Prairies–Pointe-aux-Trembles** borough.

RESCINDS the contract awarded to **Excavation Anjou inc.** on February 14, 2017, for a total amount of \$231,789.60, following call for tenders **16-15650** for vehicle towing in the **Ville-Marie** borough.

RESCINDS the contract awarded to **Excavation Anjou inc.** on December 16, 2016, for a total amount of \$45,415.13, following call for tenders **16-15716** for vehicle towing in the **Montréal-Nord** borough.

RESCINDS all contracts awarded by the City to **9499237 Canada inc.**, in particular the following.

RESCINDS the contract awarded to **9499237 Canada inc.** on December 15, 2016, for a total amount of \$268,581.60, following call for tenders **16-15716** for vehicle towing in the **Sud-Ouest** borough.

RESCINDS the contract awarded to **9499237 Canada inc.** on January 16, 2017, for a total amount of \$212,473.00, following call for tenders **16-15716** for vehicle towing in the **Côte-des-Neiges–Notre-Dame-de-Grâce** borough.

RESCINDS all contracts awarded by the City to **Remorquage BL (9335-5139 Québec inc.)**, in particular the following.

RESCINDS the contract awarded to **Remorquage BL (9335-5139 Québec inc.)** on December 16, 2016, for a total amount of \$22,995.00, following call for tenders **16-15716** for vehicle towing in the **Montréal-Nord** borough.

RESCINDS the contract awarded to **Remorquage BL (9335-5139 Québec inc.)** on December 16, 2016, for a total amount of \$220,752.00, following call for tenders **16-15716** for vehicle towing in the **Rosemont–La Petite-Patrie** borough.

RESCINDS the contract awarded to **Remorquage BL (9335-5139 Québec inc.)** on December 16, 2016, for a total amount of \$220,752.00, following call for tenders **16-15716** for vehicle towing in the **Côte-des-Neiges–Notre-Dame-de-Grâce** borough.

RESCINDS the contract awarded to **Remorquage BL (9335-5139 Québec inc.)** on February 20, 2017, for a total amount of \$91,980.00, following call for tenders **16-15716** for vehicle towing in the **LaSalle** borough.

INFORMS the City of the commission of acts in violation of Montréal's Contract Management Policy, by **Jean-Marc Lelièvre (Remorquage Taz inc.)**, **Steve Lenfesty (Remorquage Mobile)**, **Réal Tourigny (Auto Cam 2000)**, **Yvan Dubé (Excavation Anjou inc.)**, **Raymond Lizotte (9499237 Canada inc.)**



and Brigitte Lévesque (Remorquage BL also known under the name of 9335-5139 Québec inc.), during calls for tenders 16-15650 and 16-15716.

RECOMMENDS that, in accordance with the new provisions of Montréal's Contract Management Policy, **Excavation Anjou inc., 9499237 Canada inc., Remorquage BL (9335-5139 Québec inc.), Yvan Dubé, Raymond Lizotte and Brigitte Lévesque, and any legal persons and/or partnerships with which they are associated** be excluded from calls for tenders, subcontracts and contracts by mutual agreement with the City **for a period of five (5) years**, beginning on the date of this decision.

RECOMMENDS that certain changes be made to Montréal's Contract Management Policy and that the City examine potential recourses and penalties against **Jean-Marc Lelièvre (Remorquage Taz inc.), Steve Tourigny (Remorquage Mobile) and Réal Tourigny (Auto Cam 2000)**.

REPORTS the situations observed to the Anti-Corruption Commissioner.

TRANSMITS the information gathered to the Autorité des marchés financiers.

TRANSMITS, in accordance with section 57.1.10 of the Charter, a copy of this decision to the **mayor of the City** and to the **City clerk**, to be sent by the latter to the City councils involved, in this instance **Montréal's City Council and the Plateau-Mont-Royal, Rosemont–La Petite-Patrie, Villeray–Saint-Michel–Parc-Extension, Rivière-des-Prairies–Pointe-aux-Trembles, Ville-Marie, Montréal-Nord, Sud-Ouest, Côte-des-Neiges–Notre-Dame-de-Grâce and LaSalle borough councils**.

The Inspector General

Denis Gallant, Ad. E.

ORIGINAL SIGNED