Background: SNC-Lavalin, Radioactive Waste, and Corruption

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Cutting Corners on Radioactive Waste Management?

Years ago, SNC-Lavalin became the proud owner of the entire commercial CANDU division of Atomic Energy of Canada Limited (AECL), at a cost of only $15 million, thanks to $17 billion in subsidies by the federal taxpayer over many years. The deal was closed in 2011 by the conservative government of Stephen Harper, who simultaneously gave SNC-Lavalin an additional $75 million subsidy to incentivize the firm to continue developing the Advanced CANDU Reactor (ACR) — a mythical device that has never seen the light of day.

Listen to 2012 interview on Radio-Canada International: www.ccnr.org/SNC_Lavalin_GE_THE_LINK.mp3

Then, in 2014, just before the Trudeau government came to power, the Harper administration gave SNC-Lavalin and its US and UK corporate partners management control over $8 billion in federally-owned nuclear waste liabilities, with a mandate to reduce those liabilities as quickly and cheaply as possible. Most of the waste is at three sites: Port Hope on the shore of Lake Ontario, Chalk River on banks of the Ottawa River, and the Whiteshell Nuclear Research Establishment at Pinawa in Manitoba.

True to form, SNC-Lavalin and its consortium partners — operating under the banner of Canadian Nuclear Laboratories (CNL) — has announced radical new plans for dealing with Ottawa’s multi-billion dollar waste problems lickety-split. Instead of carefully dismantling the highly radioactive structures of two shut-down nuclear reactors in Manitoba and Ontario, and removing all the radioactive debris from the site, as previously planned, the consortium will simply dump all the long-lived radioactive components into the sub-basement of the reactor building and flood the interior with quick-setting cement, turning those structures into concrete radioactive waste dumps right beside the Winnipeg and Ottawa Rivers. Many of the dozens of human-made radioactive materials housed within will remain dangerously radioactive for thousands of years, and the concrete structures will never last that long.


A Pattern of Corruption?

SNC-Lavalin is a Montreal-based multinational engineering firm with offices in 50 countries and operations in 160 countries. Beginning in 2010 SNC-Lavalin management teams have been accused of financial fraud and massive bribery in a number of overseas contexts, such as the Kerala dam project in India
(1995-2008), the Padma Bridge contract in Bangladesh, and a variety of projects in Libya (2001-2010).

In 2008, Muammar Gaddafi’s son Saadi was treated by SNC-Lavalin to a wild time in Montreal replete with prostitutes, $30,000 worth of porn, lavish gifts including yachts, and $160 million in bribes paid through devious cash transfers. When Stéphane Roy, the SNC-Lavalin financial controller, was fired for his part in this and other fraudulent activities, he claimed that he was only following orders from higher-ups in the company.

See:

In 2011, the Royal Canadian Mounted Police (RCMP) began a domestic investigation into alleged SNC-Lavalin crimes based on a tip from Swiss authorities, and laid corruption charges in 2015. By 2014, SNC-Lavalin’s overseas construction manager Ben Aissa was in jail in Switzerland and SNC-Lavalin agent Cynthia Vanier was jailed in Mexico for fraud, bribery, and human trafficking, having using $1.8 million of SNC-Lavalin’s money to provide forged documents to Saadi Gaddafi and his family.

During this period of time, some 10,000 Canadian employees of SNC-Lavalin left the firm, most of them voluntarily.

Citing a pattern of corruption on the part of SNC-Lavalin, in 2013 the World Bank banned SNC and its affiliates for 10 years from bidding on any projects financed by the Bank. SNC-Lavalin’s CEO Pierre Duhaime resigned in 2012 and was shortly arrested by Montreal police for fraud and other crimes.

Additional criminal charges were laid against senior SNC-Lavalin executives from 2014 to 2019 for bribery (amounting to $22.5 million) in connection with the construction of the McGill superhospital. SNC-Lavalin is also being investigated for potential criminal activity in connection with a contract to repair Montreal’s Jacques Cartier Bridge (early 2000s).

An SNC-Lavalin ex-VP pleaded guilty in 2018 to orchestrating an elaborate scheme of illegal political donations, with $117,000 funnelled through the bank accounts of SNC-Lavalin employees who were reimbursed from corporate funds with disguised book-keeping entries utilizing specialized secret codes. Because a plea-bargain was struck, the case will not go to trial and the public may never know what politicians received these illegal donations. The man who pled guilty says he is being made a scapegoat for the many others who were involved in the scheme.
A Wake-Up Call

In 2019, Jody Wilson-Rayboud — the first indigenous person and the first woman to ever hold the post of Canada’s Attorney General — resigned from the Trudeau Cabinet (where she had also served as Justice Minister) because of what she later described as a persistent pattern of inappropriate pressure from her cabinet colleagues, including the Prime Minister, to prevent SNC-Lavalin from facing criminal charges in a Canadian court of law. If found guilty of criminal offences, SNC-Lavalin would be banned for 10 years from any federal government contracts.

The Prime Minister has argued that he needs to do everything possible to save 9000 jobs. He claims that SNC-Lavalin will move its headquarters out of Montreal if they have to endure a criminal court prosecution. But SNC-Lavalin has only 8500 jobs in all of Canada, of which 3000 are in the province of Quebec, with 700 at the head office in Montreal. The CEO of SNC-Lavalin has denied Trudeau's claims about loss of jobs and closing of the headquarters.

Canadians should pay attention to what is going on. If indeed SNC-Lavalin has a crooked corporate culture that cannot be cured, should they be trusted to put the public interest ahead of their own bottom line? Yet the Government of Canada cannot even be bothered to articulate a federal policy governing the long-term management of radioactive waste so as to offer the best protection for future generation and for the environment. This gives the consortium that SNC-Lavalin belongs to a free hand to propose inferior radioactive waste management schemes. Instead of protecting its citizens from harm, Ottawa is trying to protect SNC-Lavalin from prosecution! Is it not possible that the same shady bookkeeping practices designed by SNC-Lavalin to hide large financial payouts may also be used one day to hide the diversion of plutonium from nuclear facilities, for the clandestine “benefit” of well-paying bomb-makers?

See www.ccnr.org/Trudeau_pack_5_e.pdf

Gordon Edwards, PhD, President,
Canadian Coalition for Nuclear Responsibility,
THE testimony of Jody Wilson-Raybould before the House of Commons justice committee suggests Liberal government officials will go to great lengths to influence our judicial system. According to the former justice minister, veiled threats were made in an effort to rescue SNC-Lavalin from facing a trial for bribery and fraud and, if convicted, a 10-year ban on seeking Canadian government contracts.

The Quebec engineering giant’s lobbying efforts put pressure on key bureaucrats to counter prosecution so they could stay in the government contracts game. This type of misconduct is not uncommon for this corporation, as they have been banned from World Bank projects for 10 years. Canadians should watch with great trepidation as SNC-Lavalin and partners make plans for the operation and decommissioning of Canada’s nuclear labs.

SNC-Lavalin is one of four partners in the Canadian National Energy Alliance, which operates the Pinawa site and is intent on filling the defunct radioactive reactor’s remains with concrete. The alliance intends to monitor the sarcophagus for a mere 100 years and leave future generations to clean up the mess that will eventually occur when the radioactivity leaches into the Winnipeg River.

It has altered the original decommissioning plan significantly, cutting corners to save money. Deteriorating concrete canisters next to the Winnipeg River will be emptied, and these 46 truckloads of high-level radioactive waste will accompany another 2,000 shipments of low- and intermediate-level waste through the Whiteshell and Kenora. The ultimate destination is a poorly designed near-surface disposal facility in Chalk River, Ont.

Even before the old reactor has been filled, the same alliance wants the
federal government to finance yet another prototype, a small modular reactor (SMR). Someone should remind them that the last prototype reactor, called the Slowpoke, has long since died and its radioactive carcass remains on site. Contact has been made between Pinawa’s mayor and provincial representatives, with the goal of hosting the reactor at the Whiteshell labs.

Ontario First Nations chiefs have recognized this folly and have passed a resolution calling on the government of Canada to cease funding and support for this SMR program, but Starcore Nuclear Ltd. of Maryland has submitted a $150-million proposal. It will go nowhere unless SNC-Lavalin and friends convince the federal government to throw tax dollars at it.

These reactors are a money pit that takes away valuable investment in sustainable technology that can address climate change.

The alliance dreams of a non-existent market that will take up to 20 years to develop when action needs to be taken now. SMRs also suffer from the nuclear industry’s Achilles heel, radioactive waste, for which there is no solution in Canada.

SNC-Lavalin’s lobbyists met with Manitoba MP Jim Carr twice last year, according to the Office of the Commissioner for Lobbying, and put forth “recommendations on federal policy re: nuclear power development in Ontario.”

Considering the pressure felt by the former justice minister and the extent of SNC-Lavalin’s influence, the public should be very concerned about these meetings, especially when the government is being urged not to subject these reactors to a full environmental assessment review.

In the event the SNC-Lavalin bribery case goes to trial and the company is convicted, it will be interesting to see just what happens to these poorly laid plans for new reactors and the decommissioning of nuclear sites. Considering the extent of the company’s misconduct in other areas, closer scrutiny by Manitobans on the Pinawa file would seem prudent.

Dave Taylor teaches at the University of Winnipeg and has been a watchdog of the nuclear industry in Manitoba for more than 40 years.