

Canadian engineering firm SNC-Lavalin shielded from fraud, corruption charges

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The Quebec Superior Court has found a former senior executive of the Montreal-based engineering firm SNC-Lavalin guilty of fraud, corruption and laundering proceeds of crime for his role in the company's multimillion-dollar bribery scheme to secure contracts in Libya.

Sami Bébawi, 73, who served as head of SNC-Lavalin's international construction division, faces a possible nine years' imprisonment for having paid millions of dollars to Libyan officials to help SNC-Lavalin win lucrative construction projects. Most of the money, paid through a shell company in Switzerland, reportedly went to Saadi Gaddafi, one of the sons of Muammar Gaddafi, the Libyan leader killed by Islamist fighters at the conclusion of the 2011 US-led war against the country.

Bébawi and Riadh Ben Aissa, another former SNC-Lavalin executive at the time who was already convicted in 2014 for the same crimes, used the shell company to reward Saadi Gaddafi with luxurious gifts such as a C\$25 million yacht and lavish trips to Canada. Bébawi also used the shell company's account to personally pocket millions of dollars, resulting in the money-laundering conviction.

While Bébawi has been thrown to the wolves, SNC-Lavalin and its big bosses have been left largely unscathed and can continue business as usual. Two days after Bébawi's conviction, the company reached a court agreement under which its construction subsidiary pleaded guilty to a charge of fraud over C\$5,000. It will have to pay a C\$280 million penalty and will be subject to a three-year probation order. All the other charges against SNC-Lavalin Group and SNC-Lavalin International—including those related to their having paid nearly C\$48 million to public officials in Libya between 2001 and 2011 to influence government decisions, and having defrauded various Libyan organizations of about C\$130 million—have been dropped. Both divisions can thus continue to bid on federal contracts.

Many details remain unclear in this sordid case. The company claims that it was not aware of Bébawi's money laundering and is a "victim." According to the defense, however, the millions amassed by the two executives were

"bonuses" authorized by then SNC-Lavalin CEO Jacques Lamarre.

According to the Crown, Bébawi was behind a "business model" that began in the late 1990s and functioned until the fall of the Gaddafi regime in 2011, involving kickbacks to "foreign agents." During that period, SNC-Lavalin won Libyan contracts totaling at least C\$1.85 billion.

Most bourgeois commentators agree that the plea deal was the most positive possible outcome for the company, which saw its share price jump by 20 percent following its announcement. Expressing the ruling elite's relief that one of the crown jewels of Quebec Inc. and one of Canadian imperialism's most globally active firms got off virtually scot-free, Quebec Premier François Legault commented, "So far I'm happy, because that's what we were asking for."

Canadian Prime Minister Justin Trudeau, who found himself roiled by the "SNC scandal" last year, also expressed satisfaction with the outcome. Asked by a reporter what he thought about the plea deal, Trudeau declared, "You only do the best you can to protect jobs, to respect the independence of the judiciary and that's exactly what we did every step of the way. ... This process unfolded in an independent way and we got to an outcome that seems positive for everyone involved, particularly for the workers."

What hypocrisy! In reality, following last year's media exposés and the testimony of Trudeau's former justice minister and attorney general, Jody Wilson-Raybould, it became public knowledge that the Liberal government acted at the beck-and-call of SNC-Lavalin. The prime minister and a dozen other top officials worked frantically behind the scenes to block the company from being criminally prosecuted.

This included trying to bully Wilson-Raybould into ordering the federal Prosecution Service to offer SNC-Lavalin a Deferred Prosecution Agreement, or DPA. This would have allowed the company to pay a fine and make a pledge of "good conduct" rather than face a criminal trial for its corruption racket in Libya. The DPA option was itself only available because the Liberals amended the Criminal

Code in 2018, in a piece of legislation that was so obviously tailored to the needs of SNC-Lavalin that it was described by Ottawa insiders as the “SNC-Lavalin bill.”

Underscoring the erosion of the separation of powers between the executive and judicial branches of Canada’s government, one of Trudeau’s top officials warned Wilson-Raybould that the Liberals might lose the upcoming election if they failed to rescue SNC-Lavalin. In the midst of a discussion as to why she should revisit her decision not to offer a DPA, Trudeau himself reportedly reminded Wilson-Raybould that he is a Quebec MP.

The Trudeau government’s criminal maneuvers to secure a DPA ultimately proved unsuccessful. But as Peter Zimonjic of CBC News observed, “the Quebec engineering firm at the centre of the controversy walked away today with a plea deal that looks a lot like what it asked the government for in the first place.”

As for its “preoccupation” with defending workers’ jobs, nothing could be more demagogic coming from a government that did not lift a finger to save thousands of jobs in the auto industry as GM was closing the Oshawa plant. Moreover, the Liberal government has cut billions in federal transfers to the provinces for health care and education, while at the same time increasing military spending by 70 percent over the next decade to join US-led imperialist military offensives around the globe.

One issue swept under the rug in the course of the SNC-Lavalin-Libya affair is how the company conducted similarly corrupt actions in Quebec with the complicity of the political establishment to rake in vast profits. In the course of the Charbonneau Commission on corruption in the Quebec construction industry launched in 2012, it was revealed that SNC-Lavalin, in violation of provincial law, financed municipal and provincial political parties (including the Parti Québécois and the Liberal Party) and paid bribes in exchange for lucrative construction contracts.

It was also revealed in what has been dubbed “the greatest fraud in Canadian history” that the company and the then president of its construction division, the same Riadh Ben Aissa, paid more than C\$22 million in order to win the C\$1.34 billion contract to build Montreal’s English-language mega-hospital.

In the end, the Charbonneau Commission targeted some corrupt individuals but whitewashed the big corporations and top politicians. It was ultimately used to attack workers’ rights in the name of combatting union “bullying” on construction sites.

The SNC-Lavalin case is no aberration, but illustrates how Canadian corporations and their bought-and-paid-for politicians operate on a daily basis. Like all that of the other imperialist powers, the Canadian ruling elite bribes, bullies,

and breaks the law to advance the interests of its own corporations.

Muammar Gaddafi’s bourgeois-nationalist Libyan regime was a major target of US imperialism in the 1970s and 1980s. However, at the end of the Cold War, it offered its services to the imperialist powers, opening up economic sectors to foreign investment and, post-2001, working with Washington in the so-called “war on terror.”

A frenzied race among the imperialists to gain control of the country’s vast oil resources broke out, with Canada an eager participant. In 2004, Canadian Prime Minister Paul Martin met Gaddafi in Libya to develop business ties on behalf of big oil and construction corporations such as Petro-Canada and SNC-Lavalin.

In 2011, Canada, in league with the US-led NATO alliance, launched a savage air bombardment of the country on the bogus pretext of protecting the Libyan population from an alleged impending massacre by Gaddafi. Canada’s central role in the conflict, which included a Canadian general commanding the NATO air war, was fully endorsed by the entire political establishment, including the New Democrats.

The attempt by the imperialist powers to rely on CIA-backed Islamist militias to pillage the country’s wealth and resources has proven to be a catastrophe for the Libyan population, which has lived in a virtually uninterrupted civil war for the past eight years.



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