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Ottawa calls for probe of PEI immigration program

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Ottawa

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The federal government is calling in the RCMP and the Canada Border Services Agency to investigate allegations of fraud and bribery in a PEI immigration program that allowed hundreds of primarily Chinese nationals to buy their way into Canada.

In less than three weeks, Islanders will vote on whether to re-elect Robert Ghiz's Liberal government. His party is leading in the polls, but has been on the defensive since 2008 because relatives of the Premier, along with cabinet ministers, deputy ministers and several MLAs, benefited financially from the immigrant investor program.

The federal Citizenship and Immigration Department referred the case to police late Wednesday after it received information from at least three former provincial public servants, including detailed allegations from one of them that, at a Marriott hotel suite in Hong Kong, would-be immigrant investors gave senior island bureaucrats cash-stuffed envelopes to have their applications approved.

"These allegations were recently brought to the attention of senior civil servants in the department. They have referred the allegations to the RCMP," Candice Malcolm, press secretary to Immigration Minister Jason Kenney wrote in an e-mail response to a question from The Globe and Mail.

A government source confirmed that the case has also been referred to the Canada Border Services Agency.

The three individuals sent the allegations to the federal department and The Globe and Mail.

Svetlana Tenetko and Cora Plourd had responsibility for reviewing, investigating and approving immigrant applications under the provincial nominee program. They say senior managers pressed them to approve files they had already rejected. Susan Holmes dealt with other aspects of the program as the province's manager of

population services and expressed concerns about the behaviour of senior provincial officials.

"Ethically and morally, a lot of these files were not quality files," Ms. Plourd said in an interview.

Ms. Tenetko's allegations concerning the summer meetings in Hong Kong in 2008 – a trip paid for with fees charged to applicants – go beyond the claims of patronage that have dominated PEI media and politics for three years.

She said word got out that provincial officials would be in Hong Kong to meet with prospective immigrants.

"Chinese applicants informed their friends," she said in an interview. "These extra people, they had to bribe management because they were not on the list."

Late Wednesday, Mr. Ghiz questioned the timing of the allegations.

"Although there are clear political motivations behind these allegations – which have been raised repeatedly in the past and shown to have no substance – government will co-operate fully with any formal inquiries into these matters," Mr. Ghiz said in a statement to *The Globe*. "I would also note that it is not overly surprising that those making the allegations waited three years to do so, and that their actions coincide with a provincial election."

While the federal government is responsible for immigration, agreements with Ottawa allow provinces to nominate specific candidates for approval. In early 2008, the federal government informed PEI that it intended to tighten the rules for the program, which let the province nominate foreigners who made an investment in an island business and agreed to live in the province for a year.

In response, the PEI government approved a plan to rush through applications in the summer of 2008 before the new rules took effect. To speed up the process, teams of officials travelled to Hong Kong and Dubai to process applications, foregoing the usual practice in which prospective immigrant investors visited the Island and the business in which they would invest.

During this time, several numbered companies were created on the Island to qualify for the sudden rush of investors. The last-minute push raised about \$400-million, equal to about one-third of the provincial government budget.

While some deals have been confirmed – immigrant investor money went to a Burger King owned by Liberal MLA Bush Dumville that later went bankrupt, and the deputy minister in charge of the file was asked to pay back funds that went to businesses connected to his family – the government has never released a full list of companies that got investments.