

Ex-mayor among seven charged by Quebec anti-corruption squad

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With pressure mounting to produce results after 16 months of investigation, Quebec's Operation Hammer has finally struck.

The provincial anti-corruption squad, which is conducting an investigation known as Opération marteau, or Operation Hammer, has arrested a former mayor and two construction firm executives, accusing them of fixing millions of dollars in contracts in return for bribes.

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While Operation Hammer has hit several alleged gangsters, Thursday's arrests mark the first time a politician has faced charges. Sylvie St-Jean, the former mayor of Montreal bedroom community Boisbriand, and former councillor Claude Brière were charged with conspiracy to commit a breach of trust.

Lino Zambito and Giuseppe Zambito, the vice-president and president of construction company Infrabec, were charged with fraud. In all, 28 charges of fraud, corruption, conspiracy and extortion were laid against seven people, including three employees from two engineering firms.

Inspector Denis Morin of the Sûreté du Québec, the provincial police, said searches conducted in 2009 uncovered an organized system of influence-peddling.

"Entrepreneurs used illegal campaign financing or bribes given to elected and unelected officials to gain information on how to win contracts," Insp. Morin said.

The kickbacks came in cash, illegal political contributions and paid vacations, investigators say.

With 30,000 residents, Boisbriand has doubled in size since the mid-1980s and is one of several fast-growing suburban cities ringing Montreal that have been targeted for corruption investigations.

The rapid growth has brought a building boom and expanding budgets. Infrabec cornered about half of Boisbriand's \$100-million in construction business from 2005 to 2010.

A boom in real-estate development has also raised the stakes in local politics. Around the time Operation Hammer was launched, Lino Zambito was caught on tape trying to orchestrate the results of a coming municipal election. With Ms. St-Jean by his side, Mr. Zambito met with one of her opponents and tried to dissuade the rival from running against her for mayor. (The opponent, Marlene Cordato, gave the tape of the meeting to Radio-Canada and then promptly defeated Ms. St-Jean.)

Mr. Zambito was fined \$1,000 by Quebec's chief electoral officer. He planned to appeal, calling the incident a setup. Calls to his office were not returned Thursday.

Infrabec is a big player in the Montreal region's construction industry. From 2006 to 2009, the company collected \$55-million for contracts with the city of Montreal and its suburbs, according to a Montreal city auditor's report. That made the company the region's eighth biggest public-construction contractor.

Last year, a court threw out a lawsuit by Infrabec that was brought against a citizen who questioned a Boisbriand contract with the company for a waste-treatment plant. Martin Drapeau complained after the cost of the project came in at \$35-million – more than double the initial evaluation.

Madam Justice Danielle Turcotte of Quebec Superior Court found the lawsuit "was motivated by the desire to intimidate" Mr. Drapeau.

Operation Hammer was created in the fall of 2009 to investigate allegations of corruption and collusion in the construction industry. While other charges have been laid, Thursday's arrests were the highest profile roundup.

Quebec's Liberal government established the special squad amid intense pressure to call a public inquiry into allegations of bid fixing, kickbacks and illegal political contributions, all connected to the construction industry.

Premier Jean Charest says his government has taken the necessary steps to crack down on corruption. He has promised to go a step further by setting up a permanent anti-corruption investigative unit.

"We gave the police the means to do their job with respect to the construction industry," Mr. Charest said Thursday. "We will propose additional measures so that we can act in a concerted way using permanent operations on issues involving the construction industry."

The opposition parties, led by the Action démocratique du Québec, insist a full inquiry is required to shed a wider light on suspect practices in the industry. Mr. Charest steadfastly opposes an inquiry, saying it will hinder police work.

"It isn't because police are investigating that we can't have a public inquiry to shed light on all the activities in that industry," ADQ Leader Gérard Deltell said. "One doesn't prevent the other."