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Regarding: Fraud by Provincial Government officials of documentation to Federal Government addressing Canada's Equalization Payments Programme; Evidence of fraud; Intent to deceive; Potential for fraud continues

Forgery and Fraud by Provincial Government Officials to Deceive the Federal Government

To the Prosecution Representatives for the Crown, Kathleen Roussel and Todd Gerhart,

I write to you both, given your role to see the administration of public affairs is in accordance with the law, as the issue of fraud, including forgery, revealed herein, beginning in British Columbia (BC), has a direct impact on provincial as well as federal government programs.

Also, although I have provided evidence of the fraud to people in positions of government authority, the perpetrators have yet to be held accountable and the opportunity continues for falsified documents to be accepted as true by Statistics Canada and Finance Canada.

Instead of addressing the false statements revealed by comparing federal and provincial documents (see below), government officials and elected representatives have either ignored or dismissed the deception stating, for example: "disclosure harmful to intergovernmental relations or negotiations"¹ and later "we do not see value in continuing to respond to enquiries of a similar nature"²; regardless, this issue needs to be addressed³.

Overall, *Statistics Canada*, having high standards and a trusted reputation based on formal policies with clear accountabilities designed to safeguard the integrity of their analytic products⁴, has been and *can still be used to endorse false documents*.

¹ Response to Freedom of Information request for source of quote used to assert the "integrity" of BC Statistics, from Cindy Elbahir, Manager Central Agency Team Information Access Operations, June 22, 2012.

² Assistant Deputy Minister, Service BC, former BC Statistics Executive Director, Angelo Cocco, September 2013. Mr. Cocco had served the Northwest Territories Statistical office during Statistics Canada's 2005 feasibility study.

³ "The Queen has asked me to thank you for your letter of 31st August... careful note has been taken of the issue ... and you were quite correct to address your appeal in the first instance to the relevant Canadian authorities." Letter from Queen Elizabeth II, Deputy of Correspondence Coordinator, Miss Jennie Vine, 17th, October, 2016. For a copy of the letter sent to Queen Elizabeth II go to wminformatics.com/WP/Articles/160831/QEII1c.pdf

⁴ ANALYTIC ACTIVITIES AT STATISTICS CANADA, presented by Ivan Fellegi, June 1999, at the CONFERENCE OF EUROPEAN STATISTICIANS. http://wminformatics.com/WP/ANALYTIC_ACTIVITIES_AT_STATISTICSCANADA.pdf

Consequently, I report to you the documented false information by BC Statistics (BC Stats) officials (Dave O'Neil, Chief Demographer promoted to Population Section Manager; Jennifer Hansen, Population Analyst hired in 2004; Don McRae, Director, Population Section promoted to Executive Director, BC Stats; and Gordon Macattee, Deputy Minister, Ministry of Labour and Citizens' Services), given to Federal Government officials, Statistics Canada, for a 2005 feasibility study addressing Canada's Equalization Payments Programme, in violation of Criminal Code (R.S.C., 1985, c. C-46):

Forgery

366 (1) Every one commits forgery who makes a false document, knowing it to be false, with intent (a) that it should in any way be used or acted on as genuine, to the prejudice of any one whether within Canada or not; or (b) that a person should be induced, by the belief that it is genuine, to do or to refrain from doing anything, whether within Canada or not.

2) Making a false document includes (a) altering a genuine document in any material part; (b) making a material addition to a genuine document or adding to it a false date, attestation, seal or other thing that is material; or (c) making a material alteration in a genuine document by erasure, obliteration, removal or in any other way.⁵

and Criminal Code (R.S.C., 1985, c. C-46):

Fraud

380 (1) Every one who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this Act, defrauds the public or any person, whether ascertained or not, of any property, money or valuable security or any service,⁶

Evidence of Fraud

The false reporting can be found by comparing two documents highlighting the deception, one, a feasibility study regarding methods and data to determine equalization payments published in 2005 by Statistics Canada states the methods and data used to estimate subprovincial (Census Subdivision - CSD) population given by BC Stats officials to Statistics Canada:

"BC Stats produces its CSD-level population estimates using regression methods with specific symptomatic indicators (number of residential electrical connections and Old Age Security (OAS) recipients). For more details on the methodology, see Generalized Estimation System (GES), Small Area Population Estimation Methodology published by BC Stats in 1998 and available on their website.⁷

In 2011, (at my insistence), BC Stats revised the 1998 methods paper describing some of the many changes to the methodology between 1998 and 2005:

"After extensive analyses it was later determined that telephone line data (Telus) was a suitable indicator and was subsequently added to the model in 2000. With the availability of the 2001 census and further model development

⁵ Justice Laws Website, Government of Canada, <http://laws-lois.justice.gc.ca/eng/acts/C-46/section-366.html>

⁶ Justice Laws Website, Government of Canada, <http://laws-lois.justice.gc.ca/eng/acts/C-46/section-380.html>

⁷ "The Equalization Program and the Property Tax Base: Feasibility Study Conducted by Statistics Canada", Statistics Canada, February 28, 2005, p. 63.

it was indicated that the OAS data were no longer statistically significant and were dropped from the model in 2003."⁸

In 2005, Statistics Canada endorsed BC Stats as having a methodology producing population estimates of "better quality" than Statistics Canada's (STC) methods.

"CSD-level population estimates produced by three provincial/territorial statistical agencies (Quebec, British Columbia, Northwest Territories) were all found to be of better quality when compared with those based on any of the three STC methods."⁹

Why did BC Stats officials change the methodology between 1998 and 2005? Because the 1998 methodology produced estimates of unacceptably low quality when compared to the 2001 census results. How did BC Stats officials deceive Statistics Canada about the low quality? They submitted false population estimates and error calculations. Why did BC Stats officials not tell Statistics Canada about the methodology changes between 1998 and 2005? Because doing so would reveal that the 1998 methodology was problematic. Also, the changes made things worse not better. Why did BC Stats officials fire the Population Analyst (the Author) who raised concerns about the problematic methodology? Because the Population Analyst in a position to discover the deception.

In this manner, false information was included in a report to Finance Canada and endorsed by Statistics Canada as being of "better quality" than Statistics Canada's. This endorsement was then used to dismiss concerns about BC Stats not revising their methods paper for over 10 years. In this manner the BC Stats officials earned promotions and more money.

Discovering the false reporting

I am familiar with the problems with the 1998 methodology because shortly after having been hired to serve the public as an Economist in the position of Population Analyst for BC Stats in 2002, two long-time employees and I were asked to figure out why BC Stats' 1998 methodology produced subprovincial population estimates for 2001 that were so different from the 2001 census results (the census provides the benchmark with which to compare post census annual population estimates).¹⁰

The long-time employees, Mr. O'Neil and Frank Ip, could not figure it out; however, the hypothesis I developed and tested revealed the problem. The assumption that the changing number of people per dwelling per CSD was not significant was untrue. By correcting for differences, the error was reduced. Also, I was able to provide easily implementable solutions; however, these were rejected. Instead, BC Stats officials, Mr. O'Neil and Mr. McRae, imposed highly unreliable, error prone, unsound methods and data including the use of the change in the number of telephone landline hookups (Telus) as an indicator of population change. Telus data was purchased since 2000, with testing being done in 2002 to compare with the 2001 census results. In 2002, I asked but was not allowed to see the writeup of the testing.

⁸ GENERALIZATION ESTIMATION SYSTEM (GES) Small Area Population Estimation, Method and Error Evaluation, August 2011, (GES 2011) P. 8. BC Stats officials still had not corrected the 2005 submission to Statistics Canada. In 2011, I wrote to BC Statistics' Executive Director, Angelo Cocco, to correct the 2011 GES but he did not reply.

⁹ "The Equalization Program and the Property Tax Base: Feasibility Study Conducted by Statistics Canada", February 28, 2005, p. 7.

¹⁰ Details of my employment, dismissal, requests for arbitration, requests to remove the block to arbitration and a fair hearing into the real matters in dispute, namely the real methods and data used to create population numbers go to: www.wminformatics.com/WP/Home.html

Between 2002 and 2006, I repeatedly pointed out the need for refinements and that the new methods and data be published. My concerns were confirmed in 2004 and again 2005 because the imposed unsound methodology was producing highly erroneous numbers. For example, according to the unsound methodology, the populations for all of the lower mainland CSDs (i.e. Vancouver, Burnaby etc.) were declining from 1996 to 2003 (due to using telephone landline hookups as an indicator of population change) – obviously these were wrong. To correct them, Mr. O’Neil had me use a pencil to write in what I thought the population numbers should be. I again insisted on changes to the methodology (including not guessing the population estimates).¹¹

While serving the public in the position of Population Analyst (2002 to 2006), I was never informed about the 2005 feasibility study. Instead, Mr. O’Neil took the new Population Analyst hired in 2004, Jennifer Hansen, to the September 2004 meetings in Ottawa where the feasibility study and the population estimation methods and data were discussed. In 2005, I was no longer run the population estimates model nor was I included any longer in discussions about the methodology.

In this manner I was excluded, marginalized, and eventually ordered by Mr. O’Neil to turn in my security pass and leave the BC Stats building while my request for assistance (in the form of a grievance) was before the Deputy Minister. In this manner, the BC Stats officials were able to submit false information for Statistics Canada’s feasibility study addressing Canada’s Equalization Payment Programme, earn an endorsement (albeit fraudulently), be promoted, and receive more money rather than being found out.

BC Stats officials’ deception underlies the ‘reason’ I was removed from the contacts list, subjected to aggressive yelling, false accusations, of being bad at my job, making co-workers feel unsafe (on the day the feasibility study was published), not allowed mediation to address the accusations, given more and more menial tasks with shorter and shorter time limits, dismissed for insubordination, denied arbitration by the BC Public Service Agency supported by the BC Government Employees Union, etc. The ‘reason’ was not just because I had answered the call, figuring out why the 1998 methodology provided inaccurate numbers, and not just because I provided and advocated improvements, but because I was in a government position where I would discover BC Stats officials’ false reporting to Statistics Canada and Finance Canada sooner than if I were fired; therefore, I was fired in hopes that I would never discover the fraud – *fired in an attempt to achieve the intent to deceive Statistics Canada and Finance Canada for provincial government officials’ personal gain.*

The Intent to Deceive

Did BC Stats officials purposefully provide false information to Statistics Canada for the Equalization Payments Programme study for Finance Canada? Or did the BC Stats officials mistakenly provide incorrect information? Did BC Stats officials and/or other BC government officials attempt to conceal the false reporting?

Given that BC Stats officials asked Statistics Canada to include BC Stats’ methods, data, population estimates and error calculations for the feasibility study, and having been informed that this information would be used in the feasibility study for Finance Canada, BC Stats officials clearly knew the importance of providing truthful methods, data, population estimates and error calculations to Statistics Canada and Finance Canada.¹²

¹¹ ElectionsBC contract for \$50,000 <http://www.wminfomatics.com/WP/PEDcrit.pdf>

¹² "The Equalization Program and the Property Tax Base: Feasibility Study Conducted by Statistics Canada", Statistics Canada, February 28, 2005, p. 63.

Given that the stated goal of BC Stats is to provide “reliable information”, BC Stats officials’ job was to know the difference between reliable information and false information; therefore, they should have known the difference between reliable information and false information.

BC Stats officials could have and should have informed Statistics Canada that the 1998 methodology produced population estimates with high error compared to the 2001 census results. BC Stats officials should also have informed Statistics Canada of the many changes to the methods and data between 1998 and 2005; however, they did not.

Instead, BC Stats officials provided Statistics Canada and Finance Canada with the low quality 1998 methodology along with falsified 2001 population estimates that mirrored the 2001 census results. BC Stats officials had to have purposefully changed the 2001 population estimates to look like the 2001 census results.

The ‘reason’ BC Stats officials changed the 1998 methodology was because the 1998 methodology produced population estimates that were statistically significantly different from the 2001 census results. By not informing Statistics Canada about the many changes to the methodology between 1998 and 2005, BC Stats did not have to explain why the 1998 methodology was changed.

Did BC Stats officials correct the false information when the feasibility study was published February 28, 2005? Statistics Canada was not aware of the false reporting until after I received a copy of the 2005 feasibility study from Statistics Canada in June 2012 when I replied explaining the false reporting.¹³

Also, other provincial government of British Columbia officials attempted to impede access to Statistics Canada’s 2005 feasibility study claiming, as mentioned, “disclosure harmful to intergovernmental relations or negotiations”. Once again, an opportunity “to see the administration of public affairs is in accordance with the law” was avoided. Responding to my request for a “fair hearing into the real matters in dispute, namely the real methods used by BC Stats to create population numbers”, BC Attorney General representative claimed, “the Minister of Justice and Attorney General is not able to review the evidence you have provided or comment on whether your case has been properly addressed or advise you about how to proceed.”¹⁴ See how easy it is for provincial/territorial government officials to falsify documents to Statistics Canada and Finance Canada and get away with it. Little wonder the Premier of BC, Christy Clark, described the Capital of BC as having a “sick culture”¹⁵

Disclosure of BC Stats’ highly unreliable, error prone, unsound methods and data to Statistics Canada and Finance Canada, would be an embarrassment to BC Stats officials. By deceiving Statistics Canada and Finance Canada, BC Stats officials were able to receive an otherwise unjustifiable endorsement, “better quality”, be promoted, and receive more money.

¹³ In 2010, 4 of 15 Qualicum School District public schools were recommended for closure based on enrolment forecasts. The 1998 methods were provided along with the population estimates. My inquiries prompted a revision of the 1998 method in 2011. My concerns about timeliness were dismissed quoting the 2005 feasibility study, “better quality”. My request for a copy or title were denied on grounds “disclosure harmful to intergovernmental relations of negotiations”. Being an agency with integrity, STC sent me the feasibility study. I replied in July 2012 with a short email then again in October 2012 with a more thorough letter.

http://wminfomatics.com/WP/Articles/121019/STC_MLCS_2.pdf

¹⁴ David Merner, Ministry of Justice, Province of British Columbia,
http://wminfomatics.com/WP/Articles/120813/MoJreply_DM1.pdf

¹⁵ <http://www.timescolonist.com/news/premier-christy-clark-shows-disdain-for-sick-culture-of-victoria-1.13852>

Potential for Fraud Continues

This case highlights how fraud can persist as well as permeate other government programs. As well as being included in Statistics Canada's report to Finance Canada, the endorsement of "better quality", earned by deceit, was then used by BC government officials to dismiss concerns of citizens addressing public school closures in 2011, concerns as to why BC Stats had pointed people to methods and data not used for over 10 years.¹⁶

Unfortunately, Statistics Canada does not verify that the correct methods and data accompany BC Stats' population estimates and error calculations.¹⁷

Canadians are not well served when falsified documents are provided to Statistics Canada and then endorsed by Statistics Canada as though the submissions meet Statistics Canada's standards. Falsified documents should not be given an unjust endorsement and then included in a report to Finance Canada, as well as used to dismiss concerns that incorrect methods and data accompany unfounded numbers.

To help safeguard the integrity of analytic products provided to Statistics Canada, Statistics Canada need only require submissions adhere to Statistics Canada's formal policies with clear accountabilities as well as verify submissions. Policies include requiring internal and external reviews and verification / replication not only to ensure that correct methods and data accompany "findings" but to understand what the findings represent.¹⁸

Given the evidence that BC Stats officials are blameworthy for having deceived Statistics Canada and Finance Canada what should be done?

Is the act of fraud within the administration of public affairs in accordance with the law?

Will an investigation be initiated? Will my statement be included?

Will remedies be sought to reduce the chance of fraud/forgery, for instance, requiring analytic products meet Statistics Canada's standards before they are endorsed by Statistics Canada?

Sincerely,

William Warren Munroe
Population Projections Project for Canada's census areas
(Former Population Analyst, 2002 to 2006,
BC Statistics, Provincial Government of British Columbia)

For more information visit: wminfomatics.com/WP/Home.html

¹⁶ Bette Jo Hughes, Assistant Deputy Minister, ServiceBC, on behalf of Margaret MacDiarmid, Minister of Labour, Citizen Services and Open Government, November 22, 2011.

¹⁷ Nicole Montsion, Client Services / Service à la clientèle, Demography Division, Government of Canada, October 7, 2011, <http://wminfomatics.com/WManalytics/Articles/120127/StatCanBC1a.pdf>

¹⁸ ANALYTIC ACTIVITIES AT STATISTICS CANADA, presented by Ivan Fellegi, June 1999, at the CONFERENCE OF EUROPEAN STATISTICIANS. http://wminfomatics.com/WP/ANALYTIC_ACTIVITIES_AT_STATISTICSCANADA.pdf