

February 2<sup>nd</sup>, 2024

To the interim Board of Directors of The Pierre Elliott Trudeau Foundation (the **Foundation**):

You will find enclosed the *Executive Summary of the Investigation of the Independent Special Committee Established by the Interim Board of Directors of The Pierre Elliott Trudeau Foundation* dated February 2<sup>nd</sup>, 2024, in both official languages. This document was prepared by counsel to the Independent Special Committee: Stéphane Eljarrat and Frédéric Plamondon, from Norton Rose Fulbright Canada.

This completes our mandate. We wish to thank the Foundation for its cooperation throughout the investigation.

We kindly ask that any media enquiries regarding the independent external review be directed to our counsel. Their contact information is included in the enclosed document.

Best regards,



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Stuart H. (Kip) Cobbett



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Peter MacKinnon

**EXECUTIVE SUMMARY OF THE  
INVESTIGATION OF THE INDEPENDENT  
SPECIAL COMMITTEE ESTABLISHED BY THE  
INTERIM BOARD OF DIRECTORS OF THE  
PIERRE ELLIOTT TRUDEAU FOUNDATION**

Private and confidential | Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l. - February 2, 2024

Stéphane Eljarrat  
Frédéric Plamondon



Montreal, February 2, 2024

**EXECUTIVE SUMMARY OF THE INVESTIGATION OF THE INDEPENDENT SPECIAL COMMITTEE ESTABLISHED BY THE INTERIM BOARD OF DIRECTORS OF THE PIERRE ELLIOTT TRUDEAU FOUNDATION**

**The Investigation**

The Special Independent Committee established by the interim Board of Directors of The Pierre Elliott Trudeau Foundation (the **Special Committee**) retained the services of [Stéphane Eljarrat](#) and [Frédéric Plamondon](#) from Norton Rose Fulbright Canada LLP (**NRFC** or **we**), a firm that did not have prior relations with the Foundation, to provide legal advice (including making recommendations) in connection with allegations disseminated in the media in 2023 concerning two \$70,000 donations (for a total of \$140,000) made in 2016 and 2017 by Millennium Golden Eagle International (Canada) Inc. (**Millennium Canada**) and/or Mr. Bin Zhang (**Mr. Zhang**) and/or Mr. Gensheng Niu (**Mr. Niu**) to The Pierre Elliott Trudeau Foundation (the **Foundation**).

The Special Committee was composed of two prominent lawyers who have never been members, directors, or employees of the Foundation in the past:

**Mr. Stuart H. (Kip) Cobbett** – A Montreal lawyer, Mr. Cobbett was a partner at Heenan Blaikie before becoming President of Astral Film Enterprises Inc. in the late 1980s. He was also Chair of the Board of Governors of McGill University from 2010 to 2017. A partner for over 23 years with the firm Stikeman Elliott, he now sits on several boards of directors.

**Mr. Peter MacKinnon** – A lawyer and jurist, Mr. MacKinnon is President Emeritus of the University of Saskatchewan and a former Interim President of Dalhousie and Athabasca universities. In 2011, he was made an Officer of the Order of Canada "for his contributions to education and his commitment to innovation and research excellence."<sup>1</sup>

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<sup>1</sup> The Pierre Elliott Trudeau Foundation, "Update Concerning the Work of The Special Independent Committee" (July 12, 2023), online : <<https://www.trudeaufoundation.ca/updates/news/update-concerning-work-special-independent-committee>>.

Under the exclusive direction of the Special Committee, we investigated the allegations and analyzed the following questions, as well as ancillary matters:

- (i) whether the Foundation was aware of any involvement of the China Cultural Industry Association (**CCIA**) or the People's Republic of China (**PRC**) in the Foundation's activities;
- (ii) whether the Foundation had knowledge that the two donations made by Millennium Canada and/or Mr. Zhang and/or Mr. Niu in 2016 and 2017 would have been made, reimbursed or directed by the CCIA or the PRC; and
- (iii) whether the Foundation complied with the applicable legislation, the Funding Agreement (as defined below) as well as its own internal policies and by-laws, the whole in connection with the donation pledge and the donation receipts issued by the Foundation for the two donations made in 2016 and 2017, respectively.

### **The Investigation Process**

The investigation process involved NRFC conducting a comprehensive review and analysis of documents and information obtained from the following sources:

- Electronic mailboxes obtained from the Foundation, using an e-discovery software tool. NRFC had unrestricted access to all requested electronic mailboxes contained in the Foundation's IT system, totalling more than 750 000 documents;
- Additional documents obtained directly from the Foundation;
- Publicly available documents and open-source information, including transcripts of testimonies held before parliamentary standing committees, media articles and corporate documents;
- Documents and information obtained from or produced by witnesses and experts.

We also conducted formal and informal meetings with more than 30 witnesses. A number of individuals, including a few key witnesses, declined or ignored our requests to meet. The Foundation's current staff and its current board directors cooperated with the Special Committee and NRFC throughout the investigation.

## Our Findings

Originally, in 2013, it was intended that an amount of \$1,000,000 would be gifted to the University of Montreal by Mr. Zhang and Mr. Niu to honour the late Prime Minister Pierre Elliott Trudeau for his contribution to the West's opening to China. It was only in 2014 that a portion of that amount, namely \$200,000, was earmarked for the Foundation, following a suggestion by Mr. Alexandre Trudeau in his capacity as a member and director of the Foundation. Mr. Alexandre Trudeau was initially implicated in this project on the initiative of the University of Montreal, in his capacity of representative of his father's estate. In September 2014, a meeting, attended by representatives of the CCIA, the Foundation and the University of Montreal, was held to discuss the project and consider next steps.

The CCIA presents itself as an organization that aims to develop China's cultural industry, enhance China's cultural soft power and promote Chinese culture to the world. The CCIA is an organization closely aligned with the objectives of the CCP, and its president since its inception, Mr. Zhang, has strong ties with the CCP and the PRC.

The bulk of the negotiation and drafting of the donation pledge was led by the University of Montreal. The Foundation's role was mainly limited to providing comments to the University of Montreal on draft versions of said donation pledge, which was ultimately signed on June 1, 2016. The Foundation was aware of the CCIA's involvement in the process that led to the execution of the donation pledge on June 1, 2016.

Payments in 2016 and 2017 totalling \$140,000 came by way of wire transfer from a Canadian bank account belonging to Millennium Golden Eagle International (Canada) Inc., a corporation formed under the *Canada Business Corporation Act* and having its headquarters in Québec. This corporation is linked to Mr. Zhang. We also found that this corporation is the subsidiary of a foreign corporation, which is linked to Mr. Zhang and to the CCIA. A final planned payment of \$60,000 was never made. The Foundation was in direct communication with the CCIA concerning the first payment of \$70,000 in 2016.

In the summer of 2020, a journalist contacted the Foundation and the University of Montreal inquiring about the donations in question. At this time, the Foundation's staff was already considering remitting, to the University of Montreal, the \$140,000 that had been received from Millennium Canada. After the journalist's inquiry, it appears that the Foundation's staff decided not to move forward with the opportunity to remit the funds to the University of Montreal. In late

2020, the same journalist contacted the Foundation again, and further alleged that the Foundation could have been used as a conduit for a foreign influence operation based on information he had allegedly obtained from a former Canadian Security Intelligence Service (CSIS) agent. Based on the evidence that we had access to, the Foundation's staff would have decided not to follow up on these allegations. We did not find evidence that those allegations would have been brought by the Foundation's staff to the attention of the Board of Directors for further consideration.

More than two years later, in 2023, a cheque of \$140,000 was eventually deposited by the Foundation in the Canadian bank account belonging to Millennium Canada.

In the context of our review of ancillary matters, we did not identify any involvement of Prime Minister Justin Trudeau in the process that led to the donations in question nor in the management by the Foundation of the media allegations and related matters, aside from his office exchanging some informational emails with an employee of the Foundation in the context of media allegations published in 2016.

## **Conclusions**

### **1. *Was the Foundation aware of any involvement of the CCIA or the PRC in the Foundation's activities?***

Save for the CCIA's involvement that led to the execution of the donation pledge and the subsequent payment in 2016, we found no evidence that the Foundation was aware of any involvement of the CCIA or the PRC in its activities.

We did not find any evidence that could suggest that the donations in question were linked to any interference scheme.

We concluded that, while it is our view that the motivation behind the donations was not to influence the Foundation or its activities, we could not exclude the possibility that the donations in question may have been part of a wider influence scheme. It is important to emphasize the fact that this potential influence scheme, if any, would have intended to target the Canadian government rather than the Foundation itself. This being said, we found no evidence suggesting that any person, and in particular the CCIA, Mr. Zhang, Mr. Niu, and/or Prime Minister Justin Trudeau, were involved in illegal activities in connection with the donations in question.

**2. Did the Foundation have knowledge that the two donations made by Millennium Canada and/or Mr. Zhang and/or Mr. Niu in 2016 and 2017 would have been made, reimbursed or directed by the CCIA or the PRC?**

No. While the CCIA was involved in the process that led to the donations in question, and the parent company of Millennium Canada, as per the CCIA, is one of its “executive board members”, we found no evidence that said donations were made or reimbursed by the CCIA or the PRC.

**3. Did the Foundation comply with the applicable legislation, the Funding Agreement (as defined below) as well as its own internal policies and by-laws, the whole in connection with the donation pledge and the donation receipts issued by the Foundation for the two donations made in 2016 and 2017, respectively?**

Funding Agreement

The Foundation did not violate the *Funding Agreement on the Advanced Research in the Humanities and Human Sciences Fund*, entered into between the Foundation and the Government of Canada on May 20, 2004 (the **Funding Agreement**), either by entering into the donation pledge or by accepting the 2016 and 2017 donations.

Canada Not-For-Profit Corporations Act

By entering into the donation pledge or accepting and receipting the 2016 and 2017 donations, the Foundation did not violate the *Canada Not-For-Profit Corporations Act*.

By-laws

Mr. Alexandre Trudeau was not specifically allowed to sign the donation pledge, unless authorized to do so by the Foundation’s Board of Directors pursuant to section 2.3 of the Foundation’s By-law no. 2013-1. While it is clear that the then-CEO of the Foundation approved that Mr. Alexandre Trudeau be the signatory of the donation pledge, the whole at the initiative of a staff member, we did not identify any records or evidence that the Foundation’s Board of Directors authorized Mr. Alexandre Trudeau to do so. This being said, in our view, the donation pledge is valid under the “indoor management rule.”

Internal Policies

We found that the Foundation conducted very little due diligence on the prospective donors who were party to the donation pledge, and that it instead relied on the University of Montreal. We did

not identify any records at the Foundation of the results of the due diligence conducted by the University of Montreal. We also found no record of evidence that the analysis provided for in the *Policy Concerning Gift Acceptance and Receipting*, in force at that time, was ever conducted by the Foundation. It is also reasonable to conclude that the Foundation did not conduct any due diligence on Millennium Canada, other than consulting the Québec Enterprise Register (**REQ**), and we did not find any records showing that the Foundation conducted the analysis provided for in the *Policy Concerning Gift Acceptance and Receipting* prior to accepting the donations made by Millennium Canada.

### Know Your Donor

Know Your Donor (**KYD**) is first and foremost a risk management tool allowing to determine whether there are external risks for a charity to accept a donation from a particular party. While not conducting or properly documenting KYD procedures does not constitute a violation of the law, it represents a deviation from best practices.

This being said, had the Foundation conducted adequate KYD procedures in line with best practices in regards to Mr. Niu and Mr. Zhang in 2014-2016, it would have been reasonable for the Foundation to choose to enter into the donation pledge with them and the University of Montreal at that time. This conclusion is based on, among other things, the fact that Mr. Niu was, and still is, a prominent philanthropist, and both Mr. Niu and Mr. Zhang attended numerous meetings and/or dealt with world leaders and high-ranking government officials and heads of states, as well as with well-known philanthropists. We further note that in 2013, a fund named “Zhangbin-Niugensheng Bethune Bursaries and Award” was established by the Faculty of Medicine of the University of Toronto following the receipt of an \$800,000 donation for which the CCIA had been officially congratulated by the Canadian Embassy in Beijing.

We note once again that no due diligence was conducted by the Foundation’s staff on Millennium Canada, other than consulting the REQ, even though it was not a party to the donation pledge.

### The Donation Receipts

The identified receipting issues are more likely than not attributable to human errors, misunderstandings, employee turnover, lack of adequate receipting procedures, and/or lack of proper supervision and oversight, rather than the result of any intentional conduct, the whole based on the information we had access to.



### (1) The 2016 Donation

The donation receipt showing an issuance date in July 2016 was correctly issued to the payor of the donation, Millennium Canada. However, the address on the donation receipt bearing number 2016-009 shows an address in Hong Kong, which corresponds to the Hong Kong address appearing on Mr. Zhang's business card and to the address provided to an employee of the Foundation by the University of Montreal in September 2016.

We identified communications in September 2016 between the Foundation and a representative of the CCIA, in which the latter requested that the CCIA's Beijing address be "added" so that it could receive the donation receipt. We did not identify any donation receipt with this address, nor did we find any records at the Foundation showing that the receipt 2016-009 had been corrected or voided in accordance with the *Income Tax Regulations (Regulations)*.

We further note that in the internal records of the Foundation, receipt 2016-009 is associated to the correct Canadian address of Millennium Canada and not the Hong Kong address appearing on the donation receipt.

Both the date of issuance and the donor's address appearing on the receipt may render said receipt non-compliant with the *Income Tax Act (ITA)* and its regulations. We hasten to add that the date of issuance does not impact the applicable taxation year, since both dates (to the extent they differ) were within the same taxation year.

### (2) The 2017 Donation

On the copy of the donation receipt found in the Foundation's records, the official number is modified by hand and no proper record of such modification was kept by the Foundation, which is not compliant with the ITA and its regulations.

Moreover, the donation receipt bears the correct address for Millennium Canada, but is addressed to Mr. Zhang and Mr. Niu in addition to Millennium Canada. The names of these two individuals should not have appeared as donors on the donation receipt since they were not the payors of said donation, the whole in accordance with the ITA and the Regulations as well as with the Foundation's own internal policies. The Foundation's internal communications dating from 2016 clearly indicated that the donation receipt should be issued to the payor, which was Millennium Canada. Since Millennium Canada was also the sole payor in 2017, it should have been the only person or entity on the donation receipt.

**Enquiries concerning this Executive Summary**

Any enquiry regarding this Executive Summary should be directed to the undersigned representatives of the Special Independent Committee.



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