

*Adjournment Debate*

Montreal; an individual in possession of a collection of social insurance numbers was embezzling funds with the aid of a UIC employee who was destroying all inside files, leaving no evidence of illegal payments in the office. I am informed that this practice still continues today.

If an unemployed person holds one of these cards and has an inside contact, details are fed into a form headed "Initial Claim Data". One part of this form is fed into a computer which results in a cheque being sent out. As long as the other portion of the document is destroyed there is no evidence of anything improper having been done; they can keep feeding the computer, and cheques can be sent out by the computer indefinitely.

There was evidence just last week, in a story out of Toronto, of the possession of additional social insurance numbers by a Mr. Charles Templeton. Mr. Templeton has admitted that he has two insurance numbers—that is something else which should be investigated. Hon. members will understand that, faced with this type of misuse of UIC facilities and the easy access possible to computers, there should be no delay in reinstating the fraud squad which was disbanded in very mysterious circumstances. I trust the parliamentary secretary will inform us tonight that this fraud squad is to be reinstated without delay.

*[Translation]*

**Mr. Raymond Dupont (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, on November 28 the hon. member for Winnipeg South Centre (Mr. McKenzie) released a communiqué to the press in which he accused the government of doing too little to eliminate internal and external frauds under the unemployment insurance program. He claimed that a special investigation squad under the old UIC had been disbanded for political reasons. In support of his claims, the hon. member published duplicates of secret UIC documents on the special investigation squad.

In the House of Commons, the Minister of Employment and Immigration (Mr. Cullen) called those allegations nonsense because they have no foundation. It is quite regrettable that a member of this House should distort the facts to that point and produce information obtained from a source which is, obviously, neither qualified nor reliable. The special investigation division of the old UIC was put together in late 1973 and early 1974 at a time when the control of UIC benefits was coming under a reorganization following considerable amendments made to the administration of the UIC program in 1972 and 1973. By the end of 1974, the situation was obviously beginning to stabilize. The operations of the special investigation division, up until then distinct from benefit control, were integrated with the latter. So they were decentralized on a regional basis under the old UIC.

Mr. Speaker, the statistical data prove that the efficiency of unemployment insurance control increased substantially since that decentralization took place. With the help of their support staff the investigators made 450,000 investigations in 1974. This number is estimated at over 675,000 in 1977. In 1974 the investigations resulted in 1,081 prosecutions. That number has

[Mr. McKenzie.]

increased progressively since and should exceed 6,000 in 1977. In addition to those results the number of fines imposed as a result of the decentralized benefit control process increased from 23,000 in 1974 to an estimated figure of 60,000 in 1977.

Mr. Speaker, if the hon. member had bothered to check the facts before making his allegations he would have realized that the decentralized control of UIC benefits represents a substantial improvement over the situation that existed before. The minister stated that he was firmly committed to continuing to improve benefit control while at the same time maintaining the quality of the services provided to jobless Canadians whose incomes must be supported while they are looking for a job.

**Mr. Deputy Speaker:** Order. I regret to interrupt the hon. member but the time allotted to him is now expired.

• (2207)

*[English]*

NORTHERN AFFAIRS—EXCEEDING OF DEPARTMENTAL APPROPRIATION—POSSIBILITY OF DISCIPLINARY ACTION

**Mr. Ron Huntington (Capilano):** Mr. Speaker, on December 2, as reported at page 1493 of *Hansard*, when the Minister of Indian Affairs was replying to my colleague, the hon. member for Yukon (Mr. Nielsen), he said:

—I have only one responsibility as a minister and as a member of this House and that is to uphold the law—

I took this opportunity to ask the minister what action he had taken when an appropriation within his responsibility of \$1 million had been exceeded deliberately by some \$400,000. The minister replied as follows:

—the hon. member knows that we have taken disciplinary action. He was told that in the committee.

If I had been told that in committee, Mr. Speaker, I would not be here tonight. When the deputy minister was before the committee, he admitted that the law had been broken, and stated that under the Financial Administration Act the controls in service at the time were inadequate. He also advised that disciplinary action had been instituted—not taken; that action was put in motion this November past and that this infraction took place early in the year, or became known to the department early in the year. We were advised that the individual was up for incompetence, that as of December 2 this year the personnel officer did not have all the answers and still had the following important questions unanswered. Here I quote from the proceedings. This is the personnel officer speaking:

Did he do it on his own or was he pushed into it or asked to do it or directed to do it? Is he the only one implicated in this? That I do not know.

The disciplinary action which the minister speaks of—and this is what has happened to date—is as follows:

All signing authorities, all supervisory responsibilities, have been removed from the individual and he has been relegated to a specific task which removes him from this area of responsibility.

He is, however, Mr. Speaker, temporarily on the same pay status, and this action was only put in place approximately one month ago. The excuse given was this: