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Subject : Premier 'troubled' as Nalcor defends hiring firm facing Muskrat Falls lawsuits

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Premier 'troubled' as Nalcor defends hiring firm facing Muskrat Falls lawsuits

NATIONAL

by SUE BAILEY, THE CANADIAN PRESS

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ST. JOHN'S, N.L. – Newfoundland and Labrador's premier is questioning why a construction firm now facing several lawsuits and with ties to Quebec's inquiry on corruption was hired for the Muskrat Falls hydro project.

"It's concerning for us, and of course we want to make sure we have processes that protect us from any such activity," Paul Davis said Thursday outside the legislature. "I was troubled by it."

Earlier in the day, Crown corporation Nalcor Energy defended hiring Opron Construction after the lawsuits were reported as part of a CBC investigation.

A public benefits report in February 2013 says Nalcor named Opron as an approved bidder to build nine administrative structures at the \$8.6-billion Muskrat Falls development under construction in Labrador.

That same month, Quebec construction boss Giuseppe (Joe) Borsellino — whose interests included Opron — was denying ties to the Mafia at the Charbonneau commission on corruption in Montreal.

Over several days in February 2013, Borsellino's often vague and forgetful testimony became a source of open frustration for Justice France Charbonneau.

When Borsellino said at one point that he was lost for words, Charbonneau quipped: "So am I."

The commission's final report is expected in November.

Borsellino testified about how attending political fundraisers was necessary for people working in Quebec's construction industry. He said he gave generously to municipal and provincial politicians, as he did to charitable causes.

He denied, however, that he expected construction contracts in return or offered kickbacks.

Opron later won the Muskrat Falls contract, and is now named in several unproven lawsuits filed by sub-contractors who claim they're owed money.

Opron has filed few statements of defence but in one, involving sub-contractor Black & McDonald Ltd., denies it owes the company almost \$4.5 million.

Nalcor vice-president Gilbert Bennett said Thursday that Borsellino was not included in Opron's proposal or evaluation of a contract worth between \$10 million and \$20 million. No specific amount was confirmed.

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