



Winnipeg Police Service Headquarters Inquiry

Garth Smorang, K.C., Commissioner

432-405 Broadway, Winnipeg, Manitoba R3C 3L6

Phone: (431) 844-6899

December 5, 2025

The Honourable Matt Wiebe
Minister of Justice and Attorney General
Room 104 Legislative Building
405 Broadway
Winnipeg, Manitoba
R3C 0V8

The Honourable Glen Simard
Minister of Municipal and Northern Relations
Room 141 Legislative Building
405 Broadway
Winnipeg, Manitoba
R3C 0V8

Dear Ministers Wiebe and Simard,

Re: Winnipeg Police Service Headquarters Inquiry – Interim Report

On February 5, 2025, I was appointed by Order in Council (OIC) as Commissioner of a public inquiry to inquire into the ability of the City of Winnipeg to implement large-scale publicly funded construction projects in a manner consistent with the public interest.

The OIC requires that I deliver to the Minister of Justice and the Minister of Municipal and Northern Relations one or more interim reports to indicate progress made in the inquiry and that such reports be in a form that is appropriate for public release. This is my interim report to you both in compliance with that requirement.

For ease of reference this report will be divided into a series of headings.

Terms of Reference

The Terms of Reference set out in the OIC are as follows:

To examine current and previous structures for the implementation of large-scale construction projects regarding:

- Governance
- decision-making
- accountability
- risk management

To determine whether these structures are in accordance with best practices to:

- minimize cost increases and delays
- prevent dishonest practices or acceptance of inducements

The following will also be considered:

- dealings of previously elected officials including the mayor, the Chief Administrative Officer and other senior employees of the City of Winnipeg related to large-scale construction projects
- current and previous legislative framework for oversight of municipal planning for large-scale construction projects, including the role of the Municipal Board
- whether the findings within the scope of the inquiry indicate the need for further study, review, or investigation and if so, by whom

Initial Steps and Set Up

Shortly after being appointed, I met with senior representatives at the City of Winnipeg in February 2025, including the interim CAO, the deputy CAO and legal counsel. The purpose of this meeting was primarily to introduce myself and to set out what I saw as my role as Commissioner. I also wanted to initiate what I hoped would be a positive and cooperative relationship with the City of Winnipeg. At this meeting I was assured that the City would cooperate in all aspects and would provide me and inquiry staff with full access to their legal counsel including documents in their possession relevant to the matter, as required.

In early March I met with senior officers and in-house legal counsel for the Winnipeg Police Service in the police headquarters building. Once again, my intent was to introduce myself and initiate a positive working relationship with the WPS.

I was in frequent contact with government representatives to explore issues surrounding provision of necessary equipment, office space, inquiry finances, and potential locations for public hearings. I found everyone I dealt with to be extremely cooperative and helpful.

Commission Counsel

Integral to a successful public inquiry is the relationship between the Commissioner and commission counsel. This is different than the relationship between a prosecutor and a judge in the court system given that, in a public inquiry, the Commissioner retains commission counsel and works closely with that individual in the organization, preparation, and running of the inquiry itself. The role of the commission counsel is not to advance any particular point of view, but rather to investigate and lead evidence in a thorough, impartial, and balanced manner.

I was extremely fortunate to be in early contact with Ms. Heather Leonoff, K.C. who had recently retired from her position as Director of the Constitutional Law Branch of the Manitoba Department of Justice, and who agreed to take on the role of commission counsel in this matter.

Ms. Leonoff received her Bachelor of Laws in 1977, and her Master of Laws in 1980. After working for a time in private practice, she worked as Crown Counsel and later served as the Director of the Constitutional Law Branch for 20 years. Ms. Leonoff has appeared at all levels of court in Manitoba, as well as 16 times before the Supreme Court of Canada. She has also been a lecturer at the Faculty of Law at the University of Manitoba, teaching evidence, criminal procedure, criminal law, advocacy and constitutional issues in criminal law.

Ms. Leonoff has significant experience with public inquiries, served as Manitoba's lead counsel on the National Inquiry into Missing and Murdered Indigenous Women and Girls, 2016-2019. She has received numerous recognitions and awards throughout her career and has also written many articles and papers and co-authored a book, *Identification Evidence* (Carswell:1991) with D. Deutscher.

Since accepting her role in March 2025, Ms. Leonoff has been working on a near full time basis, meeting and frequently communicating with me and the inquiry team,

communicating with legal counsel for parties who have been granted standing, reviewing documents, interviewing witnesses, instructing experts, and organizing the structure of the upcoming public inquiry.

Inquiry Staff

I was also fortunate to have an early conversation subsequent to my appointment with Stacy Nagle, former Executive Director of the Manitoba Bar Association. In that role she was responsible in overseeing a non-profit professional association representing approximately 1,600 legal professionals in Manitoba. Her role encompassed comprehensive management and administration, including staff supervision, overseeing financial operations and budgets, strategic planning, development of policies, technology implementation, moving and setting up new offices, website maintenance and responding to media inquiries. Through her leadership, she contributed significantly to the growth, development and influence of Manitoba's legal community.

Prior to this, Ms. Nagle held leadership roles at the Court Challenges Program of Canada and the Community Legal Education Association where she managed administrative operations and developed programs.

Ms. Nagle retired from her position at the Manitoba Bar Association after nearly 20 years, and I was able to convince her to take on the role of Inquiry Coordinator.

In that role Ms. Nagle has performed a myriad of essential tasks that would not be financially efficient for either myself or commission counsel to undertake. These include arranging for and setting up office space, meeting with and delegating appropriate tasks to our administrative assistant, liaising with government employees regarding acquiring necessary hardware and software, development of a privacy and security policy for the inquiry, visiting a variety of potential sites for public hearings and finalizing arrangements for a location to host public hearings, establishing and updating the inquiry website, drafting and coordinating media bulletins through government Communications and Engagement and responding to media inquiries.

In addition to Ms. Nagle, we have retained Debra McEvoy, a paralegal who had recently retired from the Legal Services Branch of the Department of Justice after 31 years of service. Ms. McEvoy came highly recommended, and she agreed to join the inquiry team to provide administrative support both in preparation for and during the public hearings that will begin in February 2026. She will also be of great assistance to me in producing my final report.

Office Space and the Hearing Room

With the continuing assistance of the Assistant Deputy Attorney General, Michael Conner, K.C., we were able to secure sufficient office space in the Woodsworth building, which had recently become available upon the departure of the Manitoba Law Reform Commission to an alternate location. This space has served the inquiry well both in terms of providing office space and necessary equipment for members of the team to work when necessary and providing meeting space by way of a boardroom.

Ms. Nagle visited a number of potential facilities that might be appropriate for public hearings and was able to secure the hearing room and adjacent boardrooms at the Public Utilities Board at 400-330 Portage Ave., which will be utilized for 48 scheduled public hearing dates beginning in February 2026 and will be at no cost to the inquiry.

We are grateful to the staff and leadership at the Public Utilities Board for providing us this space which will be extremely suitable both for conducting hearings and for providing public accessibility and maximum transparency.

Communications and Transparency

Although the OIC entitles me to hold proceedings in public or private as I consider advisable, at this point all proceedings are planned to be held in public. The hearing room is large and there is adequate space for members of the public to attend and observe the proceedings.

Media are free to attend all hearings and arrangements have been made to livestream the proceedings through a password-protected link that will be available to all media and will allow for audio and visual portions of the proceedings to be broadcast in news reports. Otherwise, cameras and other recording devices will not be allowed in the hearing room, so that the hearings are not unnecessarily disrupted.

Parties with standing, legal counsel, and witnesses will be able to attend and participate in the hearing in person or virtually by Teams.

In addition, the public hearings will be transcribed by a court reporter, and transcripts of the hearings will be published on the inquiry website, usually within 24 hours of each hearing day.

An inquiry website has been established (www.wpsinqinquiry.ca). It includes a variety of pages containing useful information for the public including:

- Purpose of the Inquiry
- Terms of Reference
- Commissioner
- Inquiry Staff
- Parties and Intervenors
- Schedule
- Transcripts
- Rules of Procedure
- Exhibits/Other Documents
- Applications for Standing
- Media
- FAQ
- Help

Hearing Preparation – Rules of Procedure and Standing

With the assistance of commission counsel, I have developed Rules of Procedure, which are available on the inquiry website. A fundamental principle behind these rules is that the commission is committed to a fair process, including public hearings and public access to evidence and documents used at the hearings. The Rules of Procedure set out and deal with the following:

- the process for persons, organizations or corporations who wish to participate by seeking standing before the inquiry;
- a process to provide all documents that will likely be referred to at the inquiry to both witnesses and parties with standing ;
- the process for witnesses to be interviewed by commission counsel;
- the rules of evidence that will be applied at the public hearings, including that evidence may be received orally, by affidavit, by written statement, or by audio or video conference;
- the order of examination of witnesses as between commission counsel and other legal counsel for parties who have standing;
- provision that at the conclusion of the evidence portion of the hearings, final submissions will be made on any issue within the commission of inquiry's terms of reference;

- that I may make a finding of misconduct on the part of any person but before doing so that person will be provided with reasonable notice of the substance of the alleged misconduct and a full opportunity to attend to be heard in person or by counsel.

Several individuals have been formally served with a notice of alleged misconduct. These notices, in accordance with the Rules of Procedure, were delivered on a confidential basis.

The inquiry website details the process to be followed by a person, groups of persons, organizations or corporations seeking standing to participate in the inquiry. A number of applications for standing were received, and a standing hearing was held on September 10, 2025. One party applying for standing also sought funding to compensate for its legal costs associated with participating in the inquiry. This application was considered and denied as I determined that the party failed to demonstrate that it did not have sufficient financial resources to participate in the inquiry without assistance. As a result, none of the parties who have been granted standing are being funded.

Presently, the following parties have been granted full or partial standing and are represented by legal counsel as indicated:

- City of Winnipeg represented by Michael Finlayson and Gabrielle Lisi from the firm Marr Finlayson Pollack – granted standing for all phases of the inquiry.
- City of Winnipeg Police Service represented by City of Winnipeg Police Service Legal Counsel, Kimberly Carswell and Allie Derwin – granted standing for phases 1, 2 & 3.
- Caspian Projects Inc., (“CPI”) Caspian Construction Inc., Armik Babakhanians, Shaun Andre Babakhanians, Triple D Consulting Services Inc., Pamela Anderson, 4816774 Manitoba Ltd. operating as Mountain Construction, JAGS Development Ltd. (the “Caspian Group”) all represented by Mr. George Orle, K.C. from the firm GJO Law Corporation – granted standing for all phases of the inquiry.
- Phillip Sheegl represented by Richard Wolson K.C. and Evan Roitenberg, K.C. from the firm Wolson, Roitenberg, Robinson, Wolson – granted standing for phase 1.
- Samuel Katz represented by Danny Gunn from the firm Campbell Gunn Seib Jones – granted standing for phase 1.

- John Garcea, Mabel Garcea, S & J Construction Ltd., Colour Design Decorating Inc., Granite Concrete Services Inc., Tuscany Construction Ltd. and Strada Construction Ltd. (collectively, the “Garcea Group”) represented by Timothy Fry, Kosta Vartsakis, and Jordan Kreml from the firm Merit Law Corporation – granted standing for phase 2.
- FABCA Construction Ltd. represented by Kevin Williams K.C. and Matthew Nordlund from the firm Taylor McCaffrey – granted standing for phase 2.
- G&G Interiors Ltd. represented by Richard Beamish from the firm Tapper Cuddy – granted standing for phase 2.
- Adjeleian Allen Rubeli Limited (AAR) represented by David Sherriff-Scott, Scott Pollock and Bethany Keeshan from the firm Borden Ladner Gervais in Ottawa ON – granted standing for phases 1 and 2.

The Five Phases of the Hearings

Commission counsel has organized the public hearings into five distinct phases and as set out above, a number of parties have sought and been granted standing for certain phases only. Each phase, along with a brief description and hearing dates currently scheduled, is set out below.

Phase 1 - The Redevelopment Project

Feb. 10-13, 2026 & Feb. 17-20, 2026 & Feb. 23-26, 2026

- this phase will examine events that occurred in conjunction with the offer by the City to purchase the former Canada Post building, through the awarding of the redevelopment contract to Caspian Construction and the construction process, beginning in 2010 and ending in 2015.

Phase 2 - The Money Trail

March 9-12, 2026 & March 16-19, 2026 & March 23-26, 2026

- this phase will examine the money spent by the City to complete the redevelopment project, including the amounts paid to the general contractor Caspian Construction.

Phase 3 - City of Winnipeg Policies and Practices Then and Now

April 14-17, 2026 & April 21-24, 2026

- a number of City of Winnipeg employees will testify, as well as an expert witness specializing in infrastructure and asset management.

Phase 4 - Recommendations for Change

May 11-14, 2026 & May 19-22, 2026

- a number of expert witnesses will testify. There will be a construction industry panel discussion and as well a site visit to a local construction company to observe construction technology in use.

Phase 5 - Final Submissions

June 8-11, 2026 & June 15-18, 2026

A pre-inquiry meeting of legal counsel was held on November 3, 2025, to discuss procedural matters as well as document disclosure and the tentative witness schedule. All parties with standing were in attendance.

Evidence to be Presented

1. Documents

Upon the execution of search warrants conducted by the RCMP at the offices of Caspian Construction, voluminous documents were seized along with computers and hard drives, resulting in a vast number of documents that are available as potential evidence to the inquiry. Further, through litigation commenced by the City of Winnipeg against Caspian and others, additional documents were disclosed, all of which have been made available to commission counsel.

It is estimated that there are approximately 1.75 million documents that are potentially relevant to the inquiry's terms of reference. These documents are currently housed in a database managed by Deloitte's and amount to approximately 10 terabytes of data. This database is searchable and has been made available not only to commission counsel but also to counsel for all parties with standing so that any document deemed relevant by any party can be accessed and made available to the inquiry.

Further, inquiry coordinator Stacy Nagle has implemented use of an electronic file sharing document management system, *TitanFile*, which is being used to provide full disclosure of all documents deemed relevant by commission counsel to all parties with standing through their respective legal counsel.

All documents that will be referenced during the public hearings will be displayed electronically via monitors situate in the hearing room, so that all parties and the public in attendance are able to view them as they are being presented and discussed.

2. Witnesses

It is anticipated that 34 witnesses will testify during the public hearings, some under subpoena, some voluntarily, and some as expert witnesses. Legal counsel for any witness will be entitled to participate and ask questions as they see fit.

My ability to compel a witness to testify by way of subpoena pursuant to *The Manitoba Evidence Act* only extends to witnesses who can be served with a subpoena in the province of Manitoba. Three individuals who were served with confidential notices of alleged misconduct reside out of the province and as such cannot be subpoenaed to compel their attendance. Thus far none of these individuals has indicated that they will voluntarily attend to testify.

It is anticipated that 11 of the 34 witnesses will testify as experts. A number of these experts had previously been retained by the City of Winnipeg in conjunction with its then ongoing civil litigation against Caspian Construction and others (prior to that litigation being settled in in 2023), and their work done for that purpose has been made available to the inquiry. However, reports are being updated and finalized, and it is anticipated that all expert reports will be made available to all parties with standing before the end of December 2025. The areas in which experts will testify or otherwise provide information to the Inquiry include:

- forensic accounting
- costing of construction projects
- using technology to improve building projects
- ethics for public servants
- procurement and construction law
- infrastructure and asset management
- best practices in the construction industry for the completion of large-scale projects
- the potential role of the Municipal Board

The OIC appointing me as Commissioner allows for the payment of remuneration and expenses of technical advisors or other experts retained for the purposes of the inquiry. In retaining each of the experts who are charging for their services (6 of the 11 experts who will be providing evidence by way of a report and/or testimony), I inquired as to their usual billing rates for similar services in the last three years to ensure that the agreed-upon billing rates

were fair, reasonable, and consistent with industry standards. That said, the maximum amounts that could potentially be charged by those experts (including the cost of daily transcription of the hearing testimony) may exceed 50% of the maximum budget set for the inquiry of \$2 million.

At this point it is not my intention to provide further interim reports prior to issuing my final report by January 1, 2027. I will, however, consider this at the conclusion of the hearings in June 2026 if I am of the view that a further interim report would be beneficial. Should you have any questions or require any further information from me resulting from your review of this interim report I would be pleased to oblige.

All of which is respectfully submitted.

A handwritten signature in black ink, appearing to read 'G Smorang', with a large, sweeping flourish extending to the right.

Garth Smorang, K.C.
Inquiry Commissioner