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**Official Report  
of Debates  
(Hansard)**

**Wednesday 1 May 2013**

**Journal  
des débats  
(Hansard)**

**Mercredi 1<sup>er</sup> mai 2013**

**Standing Committee on  
Public Accounts**

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

**Comité permanent des  
comptes publics**

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
PUBLIC ACCOUNTS**

**COMITÉ PERMANENT DES  
COMPTES PUBLICS**

Wednesday 1 May 2013

Mercredi 1<sup>er</sup> mai 2013

*The committee met at 1230 in room 151, following a closed session.*

**SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE  
AND RELATED SERVICES**

**The Chair (Mr. Norm Miller):** Okay, I'll call the committee to order. There are a couple of things to deal with before our witness for the afternoon comes before the committee.

First of all, there was discussion this morning with regard to confidential documents, and it was decided by the committee that those confidential documents will remain confidential unless committee members, at some future time, decide that part of it should not remain confidential, at which time they will bring it before the committee.

It also was agreed that there will be a letter to House leaders with regard to the CCPAC meeting August 24 to 27 in Regina, so the Clerk will be writing to the House leaders with regard to that.

MR. RAINER BELTZNER

**The Chair (Mr. Norm Miller):** I would like to call our witness for this afternoon, Mr. Rainer Beltzner, to come before the committee, please. We will swear an oath or an affirmation.

**Mr. Rainer Beltzner:** Yes. Once again, I believe I've already—

**The Chair (Mr. Norm Miller):** Yes, I believe you have. You've been here a couple of times.

**The Clerk of the Committee (Mr. William Short):** Because of prorogation, we'll swear a new oath.

**The Chair (Mr. Norm Miller):** Okay, we will swear a new oath.

**The Clerk of the Committee (Mr. William Short):** The Bible?

**Mr. Rainer Beltzner:** Sure.

**The Clerk of the Committee (Mr. William Short):** Mr. Beltzner, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Rainer Beltzner:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Very well. I believe you have an opening statement. You have up to 20 minutes to do the opening statement, and then we'll go to questioning.

**Mr. Rainer Beltzner:** Thank you for the opportunity to address this committee for a third time. In the next 20 minutes, I want to place some matters into the official record and offer some suggestions reflecting on the Ornge experience.

As a statistician, information technologist, chartered accountant and management consultant, my entire professional focus has been on providing reliable information and advice to clients. Many of these were the Ontario ministries, municipalities, colleges, universities, school boards, hospitals, related professional associations and charities.

Much of my professional work has been focused on establishing or re-establishing the trust of Ontarians in government-managed or -regulated products or services. Regardless of the type of government-related work I was involved in—which varied considerably—I've been fortunate to have gained and enjoyed the trust of the Ontario government and its publicly funded entities over the last 30 or more years.

It has been more than a full year since I first appeared at this committee. Since then, I've closely followed the reports of the media, listened to the many statements made in the Legislature, reviewed the testimony of most witnesses to this committee, and I have read the proposed Bill 11 and closely followed the debate surrounding the bill during the first and second reading.

This past year has also allowed me to become aware of information that was evidently known to Ornge management or the Ministry of Health but was never made available to the former Ornge board.

Based on comments made in and outside of this committee room, I recognize that many of you may have already made up your minds about the adequacy of oversight provided by the Ornge board. Regardless, I think it's important for the committee members and the public to appreciate the following when making up their minds on this issue.

The precise role performed by a board of directors varies, based on the corporation. However, there are key principles surrounding the roles of a board that generally apply to all boards. The following is taken from an authoritative text on the responsibilities of directors, titled *Directors' Duties in Canada*:

“Directors are charged by statute with the fundamental obligation to supervise the management of the business and affairs of the corporation... Directors are required to assume responsibility for overall stewardship of the corporation, rather than the daily operations of the corporation.

“[D]irectors should not be expected to engage in a detailed review of management’s day-to-day activities. Especially with respect to ... large corporations, it is not realistic to expect the board to be involved in anything other than the most significant decisions and their statutory obligations. Generally, it will be sufficient for the board to make sure adequate and appropriate systems are in place to ensure the timely and effective monitoring and review of operations matters.”

On the issue of a board’s oversight obligations, in particular with respect to situations where it appears that members of management intentionally concealed information or misled the board, I would like to quote from an additional text on the matter, Carol Hansell’s *Directors and Officers in Canada: Law and Practice*: “[S]ubject to the discharge of the appropriate oversight function following the delegation of certain powers to management and in the absence of grounds for suspicion, directors are justified in trusting officers to perform their duties honestly.”

With that in mind, I wish to reiterate what you have heard in sworn testimony before this committee, which is that the former board of Ornge took all reasonable measures that could be expected of it before reaching its decisions. The board was exceptionally well qualified, comprised of experienced professionals, many with specific credentials as certified corporate directors in addition to various other professional designations.

The decisions of the board were taken only after considering the relevant data and, in many instances, formal business cases; receiving input from independent third-party advisers whenever appropriate; and much debate and discussion. In hindsight, one may now point to suspicious activity at Ornge that could have prompted further board inquiry, but there was nothing suspicious about those matters at the time.

A good example is the issue surrounding the apparently unnecessary payments to Agusta for the helicopter weight upgrades and the entering into of the marketing services agreements between Ornge and Agusta. As was previously testified to before this committee, there’s nothing unusual about an agreement for joint marketing services between a supplier of highly specialized and expensive equipment and the purchaser with a global reputation. There’s also nothing unusual about an agreement to pay additional funds for necessary weight upgrades and helicopter spare parts. There’s nothing inherently unusual or suspicious about either of these that should have instigated the board to delve deeper and circumvent management to obtain additional information. It is only with the subsequently disclosed information that the weight upgrade payments may have been unnecessary that these transactions raise suspicion.

The former board, in fact, took extensive measures to ensure proper oversight of management’s activities and the proper stewardship of the company. Through our various board committees, we sought to delve even deeper into strategic, operational and financial matters, once again making use of exhaustive management reports provided to the board, as well as presentations from management, the independent medical advisory committee and qualified external advisers.

Regarding the board’s reliance on the advice and assurances provided to it on various matters from both its legal and financial advisers, I would again like to quote from Carol Hansell’s authoritative text: “Directors must also rely on outside advisers to provide them with both information and analysis on which to base their decisions.” This is precisely what we did.

Evidence of the board’s extensive work and efforts to obtain independent professional advice is contained in the exhaustive board and committee binders, which contain detailed minutes, business cases, legal memoranda, data reports, third party reports, budgets and financial statements. These offer a documented record of the actions of the board in reaching all significant decisions.

There has been considerable mention and criticism, both in the media and in these committee hearings, of the former board’s apparent lack of focus on patient care. This allegation has no validity.

On the very first days of the divestment of operations to Ornge, the absolutely critical communications dispatch centre, developed and managed directly by the ministry for several years, completely collapsed. This was, in my view, a direct result of the prior and total neglect of critical communications and related technology infrastructure.

As a certified information systems auditor for over 30 years, this facility, that was developed and managed by the ministry, was one of the worst examples I have ever witnessed and should have been condemned. The so-called valuable assets transferred from the ministry to Ornge consisted of failed software and hardware, undocumented communications networks, and no backup or emergency recovery capability at all, as well as an embarrassment of a physical facility. The reporting of this critical facility that exposed Ontarians to very high risk was never included in a prior Auditor General’s report or, to my knowledge, in a ministry internal audit.

Ornge very quickly and competently established, designed, built and implemented a world-class, fully-backed-up and recoverable communications centre to support the needs of Ontario patients for years to come.

Much criticism has been leveled at us for purchasing new helicopters. The ministry had entered into a contract many years prior with Canadian Helicopters Ltd., a for-profit requiring significant annual returns for its shareholders. This contract, which was largely based on payments for flow-through costs, was renewed year after year. As far as I could see, the required performance criteria were met, but at great expense to the people of Ontario. Because of the flow-through cost provisions,

there was little incentive by the provider to aggressively manage costs.

What made this ministry arrangement even more troublesome was the complete absence of a fleet replacement strategy. The contracted Sikorsky helicopter fleet, albeit a solid performer given the exhaustive and expensive maintenance, was approaching an average 30-year age. We know today that some of the hulls have experienced rust, and that spare parts are no longer supported, and difficult to find. We were also aware that the helicopters had performance limitations that could be improved with a more modern fleet.

Most troublesome was the record of equipment problems during flight, often requiring the helicopter to return to base to be placed out of service and a backup used. The board asked for and received comprehensive records of these equipment failures at its meetings.

Contract arrangements and mechanical reliability issues were found to be similar for the dedicated fixed-wing aircraft also contracted by the ministry.

#### 1240

Given the ever-increasing fleet operating cost, the obvious but previously ignored need to implement a fleet replacement strategy, the increasing rate of operational failure, and the growing critical needs of Ontario patients, Ornge management, with the full support of the board, examined alternatives to both helicopters as well as fixed-wing aircraft, and to establishing provider options.

Personally, I found it difficult to comprehend how the ministry had placed the critical transport needs of Ontario patients, including many of those in the north, in such a precarious situation.

With full ministry knowledge, and after a full analysis of financing options, including discussions with the Ontario Financing Authority, Ornge secured very competitive funding and acquired and implemented a new rotor and fixed-wing fleet. This was all done without any significant disruption to patient service. Despite the concerns expressed publicly, both types of aircraft are exceptionally safe to fly in.

Yes, the medical interior of the new helicopter—as designed by a team of experienced paramedics, transport physicians and an experienced medical interior manufacturer—was not perfect. However, the problem was identified and a work-around as well as a longer-term solution was being worked on and is now in place.

Despite the criticisms voiced at last week's committee hearings, the Ontario government cannot be viewed as on the hook for the debt of Ornge Issuer Trust. Rather, the government now has several never-before-available options for the future. It's important to remember that, prior to Ornge's purchase of the capital assets fundamental to its mission to provide medical transport services, there was no realistic option for the emergency response needs except for CHL and 30-year-old helicopters.

Operational efficiency and safety concerns also led us to renew and standardize the fixed-wing fleet with

modern Pilatus aircraft, once again providing more future delivery options for the ministry.

To emphasize, our absolute and focused concern was for the patients of Ontario—that they would have safe, reliable air transport well into the future.

The committee has also heard of the shortages of critical care and advanced care paramedics. This is not a new problem. From the earliest days, Ornge focused on the development of enhanced training programs for transport paramedics at the advanced and critical levels. Significant resources and investments were made in training facilities and staff, including the portable simulation trailer providing training access to paramedics throughout the province.

The medical advisory committee of the board proactively monitored the recertification of paramedics, including their mandatory continuing education programs. The board also implemented a no-tolerance policy for non-compliance and demanded frequent updates on paramedic compliance. Patient safety was always of prime concern.

The board properly relied on the independence of the medical advisory committee to very closely monitor matters of patient care and safety. The board also proactively encouraged the medical advisory committee to look into and report on Ornge's medical actions and patient outcomes. That was always a very important part of our committee meetings.

In his interim 2008 report on air ambulance, the Auditor General was critical about the waste of money for an excessive number of helicopter liftoffs in response to emergency calls, which were then cancelled in flight, often just minutes later. At thousands of dollars for each cancelled flight, the Auditor General encouraged change.

Once critical helicopter and fixed-wing transition issues allowed time to focus on this apparent waste of money, Ornge proposed a policy change that received the approval of the medical advisory committee as well as the ministry.

However, the board instructed the medical advisory committee to monitor patient impact and report back to the board on results, as we had to have the comfort and, to the extent possible, the proof that Ontario patients were not being adversely impacted.

The report of the medical advisory committee is included in the minutes of the operations committee, and at that time identified no adverse impact. The MAC was asked by the board to continue the study.

Finally, the MAC always included a report to the board on adverse events and their review, investigations and results. There were never any unusual trends or repetitive events that came to our attention. Simply put, when there was a potential for patient impact, the board was always concerned and always followed up.

From the outset, the goals of Ornge were clear. First and foremost, our goal was to improve our response and service capability to the patients in Ontario. This included all of the efforts I previously spoke of, as well as the development, management and execution of the emer-

gency medical assistance team, capable of deploying a significant, fully staffed and equipped field hospital anywhere in Ontario in response to a disaster, including potentially toxic emergency situations.

Housed in several 53-foot trailers, this EMAT equipment and team was successfully deployed several times, coincidentally to Sudbury, to triage hundreds of young and old evacuees from a northern First Nations community; and then, years later, to assist the evacuation of patients from an infrastructure failure at a large Sudbury hospital.

To suggest that the board of Ornge was not focused on patient care has, in my view, no basis in fact.

Our second goal was operational stability. As I referred to earlier, there were many surprises left over from the ministry-managed days, as well as a need to build from the ground up a complete organization and infrastructure, all within a very short time. This effort included many factors of both short- and long-term planning, with much scenario discussion and every effort to identify, monitor and minimize both patient and operational risk.

Yes, the company did build and deploy a state-of-the-art, fully-backed-up and recoverable communications and province-wide emergency response centre to replace a failed system.

Yes, the company did develop a business infrastructure and implemented financial and operational policies and procedures that did not exist previously.

Yes, the company did comprehensively replace the rotor and fixed-wing fleet with modern, safe, operationally efficient and state-of-the-art aircraft.

Yes, the company did replace many long-standing cost-prohibitive service delivery contracts with more efficient and effective in-house capability.

Yes, we did hire and train many new paramedics, pilots, operational and administrative staff.

And yes, the board did approve the compensation of Dr. Mazza, whose expertise and guidance was important to the strategy and transition of transport medicine advancement in Ontario.

In all of these efforts, we strived for excellence, recognizing full well that perfection was not achievable immediately in all cases.

Our third and final goal was financial stability for the future. This goal was initially focused on gaining an understanding of the costs inherited from the ministry and examining the many areas for potential improvements to efficiency and effectiveness of day-to-day operations. Operational efficiency gains in the early years allowed us to reallocate scarce dollars to the substantial rebuilding efforts I noted earlier. However, from the very beginning, the targets of donor funding and for-profit monies were clearly in our sights. Our strategy, progress and actions were always reported and transparent to government. This goal and our progress was not a secret, as some are now claiming.

From inception, the organization has been audited—it seems almost continuously—throughout the years. The

government has been the initiator of most of these. As a board, we appreciated and openly encouraged and participated wherever possible in these audits, as they provided an additional view and comfort into the performance of the organization. The MNP audit raised a number of performance agreement compliance issues that were appropriately resolved and subsequently monitored by the board through specific management reporting.

However, the board was concerned about the delay in the ministry's reporting of external concerns. In a 2008 letter to Ruth Hawkins, of the Ministry of Health and Long-Term Care, the board specifically requested that the ministry advise it on a timely basis of any concerns it became aware of. This request was seemingly not complied with. It was not until early 2012 that I and some of the other board members learned of the existence of a much earlier correspondence to the ministry, detailing a series of concerns about the air operations of Ornge, which was never previously reported to the Ornge board.

In addition, in testimony before the committee by the Deputy Minister of Health and others, it was stated that since 2008, the government had numerous concerns, including concerns related to the proposed creation and structure of Ornge Global. Notwithstanding these apparent concerns, and despite the considerable efforts by the board of Ornge in early 2011 to make certain that the government was fully aware of this initiative, there was never a single concern communicated by government to the board.

Much of what transpired after the meetings with government and into 2011 was based on what we as a board had a right to believe was the support of government. It is inconceivable to me that the board would have approved a continuation of the Global initiative in its proposed form had the board received any expression of concern. The outstanding question to me is why these concerns and many others were not immediately disclosed and reported to the Ornge board by this government.

The committee needs to establish whether this failure to communicate apparent serious concerns to the board of Ornge and keep the board of Ornge in the dark was simply an oversight or a calculated decision by government. I believe very strongly that our board, and every board of an Ontario publicly funded entity, has an absolute right to expect timely, honest and open communication of concerns from its principal funder, the government. I would encourage every such board to require, on an annual basis, written confirmation from government of concerns or the absence of such. Failure to receive this confirmation should serve as a strong signal to the relevant directors to resign from the board.

I would like to conclude with some comments focused on the future.

The Public Sector Salary Disclosure Act: Ornge was never in a legal position to compel the employees of its subsidiary companies to disclose their compensation, including taxable benefits. What was needed was either the approval of all employees or the inclusion of Ornge subsidiaries under the disclosure act, in order to protect

the board and the organization from possible legal action. Consideration should be given to including under the disclosure act all subsidiaries, whether profit or not for profit, of public sector entities otherwise included in the act.

During testimony to the committee, we have also heard of unwarranted payments made to the personal corporation of an employee by both Ornge as well as at least one other public sector entity. Although difficult, consideration should be given to a requirement to report all forms of payments to an individual, whether direct or indirect.

With respect to Bill 11, the Ambulance Amendment Act, section 7.4 of the proposed act refers to the activities of a special investigator appointed and directed by the minister, with powers to investigate everything. The report of the investigator goes to the minister, who can then provide it to the chair of the board, who can also be appointed by the minister. Whether or not the report is to be made public is unclear.

What is clear, though, is that the scope of any investigation, the appointed investigator as well as the resultant report is not independent of the minister. In my view, such investigations should be investigated, conducted and reported independently of the minister and of government. I agree with others that the Ontario Ombudsman could serve this purpose.

#### 1250

Section 7.7 of the proposed act refers to whistle-blowing protection for employees. In reality, the experience of many whistle-blowers has not been positive, despite, in some cases, existing but still weak legislation designed to protect them. While this act may serve a political purpose, I don't believe it will serve to fully protect future whistle-blowers from the possible negative actions of employers, fellow employees, media or the public. A whistle-blower will always face risk, despite the very best intentions. I believe the proposed act gives whistle-blowers nothing more than a false sense of protection. Much stronger measures are needed.

The company was incorporated as a fully independent not-for-profit in 2004. A year later, it entered into a performance agreement with the province of Ontario. This agreement was authored by the ministry and did not include any rights of the province over the independence of the company. I can only conclude this was either done in error or consciously and for a reason. Ornge was not a government agency, as some have called it at this committee.

The agreement did include comprehensive rights to audit, examine and investigate both financial and operational activities. There were a number of concerns about the performance agreement raised by the MNP audit and internally within government that were clearly the responsibility of the ministry to resolve. As a board of Ornge, we had no right and no obligation to direct or even encourage the ministry to resolve these issues. The province always had the right to renegotiate the performance agreement at any time.

I acknowledge the many issues and concerns that have been brought to the surface over the past two years. The most serious of these await the reports from the OPP as well as the coroner of the province.

As a board, we took our responsibilities very seriously. In reaching our many decisions, we sought and received information from management, we sought out, consulted with and received independent advice, and we discussed and debated all major issues. We would then reach our decisions based on our best judgment, in light of the information and advice we obtained.

The testimony to date has indicated that some of the information provided to the board and on which the board, as did the ministry, had a right to rely may have been incomplete or incorrect. Whether the provision of inaccurate information to the board was done with intent or as a result of incompetence has yet to be determined.

On a personal note, I'd like to acknowledge and thank the efforts of the many honest and hard-working members of the Ornge team both past and present.

Thank you for your attention and time. I'd be pleased to answer your questions.

**The Chair (Mr. Norm Miller):** Thank you for that. We'll move to the opposition: Mr. Klees. We will go with 20-minute rotations and then see how much time is left.

**Mr. Frank Klees:** Thank you, Chair.

We've now heard from four of your fellow directors. They were obviously well briefed in advance of their appearance before this committee. In listening to your prepared statement, obviously the messaging is the same: Essentially, the decisions made by the board were based on information available to the board at the time. Board members were obviously oblivious to the fact that patient care was being compromised. In fact, you insist again that that didn't happen, notwithstanding the evidence to the contrary. The fact that public funds were not used to subsidize for-profit organizations—there were no red flags that you could see. And not one director has any regrets. So compliments to your counsel for his guidance.

I'd like to ask you this: When you met with your fellow directors in preparation for appearance before this committee, did you yourself provide them some counselling?

**Mr. Rainer Beltzner:** In terms of?

**Mr. Frank Klees:** What should or should not be said.

**Mr. Rainer Beltzner:** The counselling that I provided—they asked me questions about what it was like to appear in front of this committee, and I told them it was a challenging and interesting exercise. I specifically, I believe, referred a couple of times to the confused line of questioning that may come about. That's the degree of counsel I gave them.

**Mr. Frank Klees:** Were they at any point cautioned, either by yourself or counsel, against admitting any failure of oversight?

**Mr. Rainer Beltzner:** Absolutely not. We did not have a single discussion regarding admission, non-admission or anything of that nature. There was no dis-

cussion between myself or any of my board members on that point.

**Mr. Frank Klees:** We learned from previous testimony that the board of directors was essentially hand-picked by you. Is that true?

**Mr. Rainer Beltzner:** No, I don't think that's completely truthful. I don't know who picked many of the initial board of directors back in the days of Ontario Air Ambulance Services Co. I believe, if I'm correct, Dr. Lester testified that he was asked to sit on the board, as were a number of people from Sunnybrook and Women's. I don't know how the other people got onto the board when I got onto the board, but I was asked to come onto the board by Dr. Mazza. At the time, I believe that my name was also reviewed by people at Sunnybrook and Women's and within the ministry to ascertain whether I was a reasonable person to come onto the board.

Subsequent to that, as was testified by Mr. Pickford and Bethann Colle, I did in fact, after some prior discussions with our compensation and nominations committee about the fact that there were a number of people in the ICD program, who I had the opportunity to be with for a period of 16 days, over, I guess, a longer period, going through business cases, presentations, analyses, tax issues and many other things—I had the opportunity to come in contact with some very experienced people.

**Mr. Frank Klees:** My question is, did you—

**Mr. Rainer Beltzner:** Just allow me to finish, please. I mentioned this to Dr. Mazza and to Luis Navas, who was on the comp and nominations committee at the time. I said, "Look, we should take the opportunity to look for board members who fill the need," as we saw it, "for particular expertise and experience." In that regard, I approached a number of people during a course of time, after I satisfied myself that they were pretty good, talking about Ornge. Some of them agreed to talk to Dr. Mazza and consider coming onto the board.

**Mr. Frank Klees:** Here's the reason why it's a little frustrating for us on this committee. We know what you're doing. I'm asking very specific questions. You're spending a good deal of our time here expounding far beyond anything that I'm interested in.

**Mr. Rainer Beltzner:** Ask a specific question. I'll be happy to answer.

**Mr. Frank Klees:** It causes me to question your intent. I would just ask you, because we have limited time, if you could keep your responses specific to the questions I'm asking.

When you met Mr. Pickford and Ms. Colle at the institute, were you teaching a class there or were you a student?

**Mr. Rainer Beltzner:** No, I was a student. I was taking the class.

**Mr. Frank Klees:** Okay. Did that class include any reference to directors' fiduciary duties or duty of loyalty and duty of care?

**Mr. Rainer Beltzner:** It did.

**Mr. Frank Klees:** When you became the chair, did you ever discuss those responsibilities with members of your board?

**Mr. Rainer Beltzner:** Considering that the majority of members of the board at the time were ICD graduates, we certainly conducted ourselves consistently with those responsibilities, yes.

**Mr. Frank Klees:** The Industry Canada primer for directors of not-for-profit corporations states that duty of care includes a general obligation to "among other things, oversee all aspects of operation and maintain a supervisory role over tasks which have been delegated."

I know that in your opening statement, you're asserting that your responsibilities were at a higher level. We've now heard from more than 50 witnesses here who would differ with you in terms of what was going on at the front line in terms of the patient care that was being delivered. Patient care was compromised. That was as a result, as we heard here, of down-staffing, which was a policy of Ornge's that was implemented while you were chair, while your fellow directors were responsible for that operational oversight. We had testimony here that numerous patients were put at risk because the new helicopters to which you refer, that you oversaw the purchase of, had interiors that prevented paramedics from even doing the very basic life-saving procedure.

**1300**

We heard testimony here about a paramedic plant in a location in London being shut down because there weren't sufficient funds. All of this going on, Mr. Beltzner, while you, as chair, and your fellow directors were putting the stamp and approval on an expansion of a scheme that was brought to you by Mr. Mazza. Core services here that you were mandated to oversee, of patient care, were being shortchanged while you were experimenting with some scheme.

How does that fit into the definition of fiduciary responsibility? How can you justify telling us here today that you carried out your duty of care as a director, knowing that patient care was put at risk? I'd be interested in that; I'm sure the many patients and their families who were affected by what was going on at Ornge over that time would like to know that as well.

**Mr. Rainer Beltzner:** I'm going to try and interpret your question, which was rather lengthy. First of all, we did not know that patient care was at risk. I've testified very clearly that we had a medical advisory committee, as does every hospital. We looked to the medical advisory committee, which is made up of very competent physicians, to provide the board with insight into the actions on patients.

We, as a board, were very careful to always ask the medical advisory committee to report on any and all adverse events, and any time, as I testified, where there was a change in policy that would seem to potentially affect patients in Ontario, we asked the medical advisory committee to specifically study this so that we could be assured, as a board, that in fact patients in Ontario were looked after.



I would disagree with your statement that we knew that patients were not being looked after.

**Mr. Frank Klees:** So your answer, of course, is that you relied on your medical—

**Mr. Rainer Beltzner:** We had an absolute right to rely on a medical advisory committee, as does the board of a hospital.

**Mr. Frank Klees:** And you took no other outside information into consideration?

**Mr. Rainer Beltzner:** That is not correct either. The outside information that we took were the reports on patient transports that came from our chief operating officer, and we relied on the information, as we had a right to rely on that information, from him. We also received information from our patient survey individual, who conducted patient surveys and reported back to the board. Nothing came up in any of those reports that would suggest that there was any detriment to patients in Ontario. In fact, many of the actions that we took over the course, as I testified, were there to specifically improve patient service and reliability.

**Mr. Frank Klees:** So you were not aware of the investigations that were ongoing, some 13 in 2007, 10 in 2008, 19 in 2009, 14 in 2010, 28 in 2011 and 35 in 2012, 26 of those involving a patient who died? You're telling me that a chair of the board and the board of directors had no idea that these investigations were going on? Twenty-four of those had been referred to the coroner. You're telling me that as a director and as a chair, you didn't know anything about this.

**Mr. Rainer Beltzner:** I'm going to repeat what my testimony was, and that was that we relied on the MAC to report to us any situation where there was an adverse impact on a patient. None of those reports included, to the best of my knowledge, and it's documented in my files, any reference to investigations by the coroner. We certainly did not communicate with the coroner independently of the MAC to ask that question.

**Mr. Frank Klees:** Can I ask you how involved you were in decisions at Ornge relating to the expansion and essentially a lot of diversion of Chris Mazza's focus on the expansion scheme that your board approved?

**Mr. Rainer Beltzner:** At the appropriate time, I would say I was quite extensively involved, particularly in the fall of 2010, after we had stabilized the transition of rotor and fixed-wing issues and so on; and my active involvement was as a participant on the special committee to the board, reviewing the transaction or proposed transaction. And then, of course, I was also quite actively involved in January 2011, where, with the help of legal counsel at the time, I put together a fairly lengthy and detailed letter, which I wanted to make sure was communicated to the government, to ensure that government was fully aware of each and every action that we were proposing to take.

Then, of course, I was also intimately involved in the three presentations to the three ministries, attended by probably 30 or 40 different government officials. None of those individuals or anyone else, quite frankly, ever said

one negative thing about our proposed action. In fact, if I recall correctly, Saäd Rafi, who was Deputy Minister of Health, asked me directly whether or not the ministry could participate as an investor in Global.

**Mr. Frank Klees:** So it would be fair to say that as chair of the board, you were one of the strongest advocates of Chris Mazza's expansion proposals. Is that fair?

**Mr. Rainer Beltzner:** I was one of the strongest advocates of doing it properly—taking it through independent committee, taking it through the right process, protecting the assets of Ontario and Ornge and ensuring that patient care was not compromised, absolutely.

**Mr. Frank Klees:** Isn't that a rather odd role for the chair of a board of directors to play?

**Mr. Rainer Beltzner:** I don't think so.

**Mr. Frank Klees:** One would think that the board is there not as a marketing arm of the CEO, but rather as an oversight responsibility. Would you not agree?

**Mr. Rainer Beltzner:** I don't see that we were a marketing arm of the CEO. I don't agree with that.

**Mr. Frank Klees:** Well, your name is at the bottom of the letter that makes the presentation to the ministry.

**Mr. Rainer Beltzner:** I don't think the presentation to the ministry was a marketing presentation. I don't understand where you get that.

**Mr. Frank Klees:** Well, all you have to do is read it.

**Mr. Rainer Beltzner:** That's your opinion; it's not mine.

**Mr. Frank Klees:** It certainly is not just an objective; it's a sales document—

**Mr. Rainer Beltzner:** It's a black-and-white objective statement of facts and business plans. That's all it is.

**Mr. Frank Klees:** Did it take the board of directors to approve that scheme?

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** And given the fact that a good proportion of that board was directly appointed by you, to what degree—

**Mr. Rainer Beltzner:** I disagree with that statement. You keep on coming up with the statement that, you know, a goodly portion of the board was directly appointed by me. The board appointed new directors: Let's be clear about that.

**Mr. Frank Klees:** How many people were on the board?

**Mr. Rainer Beltzner:** Two people on the board were people who I identified as potential board members.

**Mr. Frank Klees:** And Dr. Mazza, did he vote?

**Mr. Rainer Beltzner:** Dr. Mazza had no vote.

**Mr. Frank Klees:** Why did he not have a vote?

**Mr. Rainer Beltzner:** He was a non-voting director on the board.

**Mr. Frank Klees:** Was he getting paid?

**Mr. Rainer Beltzner:** No. Was Dr. Mazza getting paid for being on the board?

**Mr. Frank Klees:** Yes.

**Mr. Rainer Beltzner:** No.

**Mr. Frank Klees:** Do you want to think about that again?

**Mr. Rainer Beltzner:** I don't believe I need to think about that again. To the best of my knowledge, Dr. Mazza was not being paid to be on the board.

**Mr. Frank Klees:** Well, I have here invoices from Dr. Chris Mazza to Ornge. I have numerous invoices here.

**Mr. Rainer Beltzner:** I'm sure you do.

**Mr. Frank Klees:** I'll just read them to you: board teleconference meeting, \$250; governance committee meeting, \$500; operations meeting, \$750; finance meeting, \$500. He was getting paid.

**Mr. Rainer Beltzner:** Well, you know, one of the things that doesn't surprise me, Mr. Klees, as has been evidenced through testimony already, is that Dr. Mazza was receiving compensations or payments from all sorts of areas. That one is another one that I can assure you I did not know of, the board did not know of. I suggest that perhaps you might ask the chief financial officer as to why the chief financial officer approved that.

1310

**Mr. Frank Klees:** Well, the signature on here is Ms. Renzella, so you're suggesting that Ms. Renzella was rogue on this?

**Mr. Rainer Beltzner:** All I can suggest to you is that it appears that many of the payments that did not receive the approval of the board appear to have received the approval or signature of Ms. Renzella. I don't know what that means, and I believe the OPP is the one that should be investigating that point. I have no other information with respect to that.

**The Chair (Mr. Norm Miller):** You have two minutes, Mr. Klees.

**Mr. Frank Klees:** I'll leave it at that, and come back.

**The Chair (Mr. Norm Miller):** Very well. We'll move to the NDP. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Thank you for coming again. Actually, before I start with my prepared questions, I have questions about the documents that you read into the records. My first one has to do with—I'm on page 3 of the document that you read, if you have the same page as us. You're basically talking about your responsibility as a board member and, in your case, as a board chair. I'm on the second paragraph, where you start and say: "Through our various board committees, we sought to delve even deeper into strategic, operational and financial matters—once again, making use of exhaustive management reports provided to the board, as well as presentations from management...." Do you remember telling us that?

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** The strategic plan that was presented, the way I call it, the 11-page document that was signed by you and presented by Mr. Apps and you to the people of the ministry—this is something that your board and yourself knew inside and out. You knew that you were going to create this new corporate structure. You had a plan. You agreed with it.

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** And you communicated that information to the people at the Ministry of Health.

**Mr. Rainer Beltzner:** Absolutely, black-and-white and verbally.

**M<sup>me</sup> France Gélinas:** Would you say that the full content of the strategic plan, as contained in that memo, was communicated when you had a chance to meet with the people at the Ministry of Health?

**Mr. Rainer Beltzner:** Yes. That's documented by the presentation deck and PowerPoint that accompanied the meetings.

**M<sup>me</sup> France Gélinas:** Okay. And you had time in your meeting to go through the deck and to go through all of the different elements of what I would call the presentation of your new strategic plan? What would you call it?

**Mr. Rainer Beltzner:** First of all, with respect to the question: "Did we have time?"—yes, I was very pleased with the amount of time provided by all of the ministries. There was no rushing people out the door. We had plenty of time to present. There was plenty of time on discussion and clarification. That's what happened.

**M<sup>me</sup> France Gélinas:** Just so that I know how to refer to it, how would you refer to that letter?

**Mr. Rainer Beltzner:** I would refer to that letter as our proposed strategic plan for the company.

**M<sup>me</sup> France Gélinas:** That's how I saw it too, so I'll call it your proposed strategic plan. So you felt that you had plenty of time to talk to the people and do the full presentation. Did any of the questions that were posed to you lead you to believe that they weren't comfortable?

**Mr. Rainer Beltzner:** There were certainly questions posed which related to clarifying the relationship between one entity and another—so, clarifying questions—but there was not a single question that led me to believe or, quite frankly, my fellow participants who came with me—to suggest that there was any concern whatsoever by the people asking the questions.

**Mr. Jagmeet Singh:** And objectively, no one sent a letter or no one called or sent an email saying, "We don't like your plan. We have a problem with it. Don't go ahead with it," or pause?

**Mr. Rainer Beltzner:** Thank you for that question. I can tell you that I was not very pleased to hear subsequently as testimony to this committee from the deputy minister, for example, that he had concerns.

In the subsequent weeks following the presentation at which the deputy minister was the prime individual, and before we, as a board, gave the final approval to go forward, there was nothing that ever came back, either verbal, written, email, voicemail, pigeons or any other form of communication. I don't mean to be light on this point, but as you can well imagine, I'm more than a little irritated by this fact.

**Mr. Jagmeet Singh:** No, it's absolutely important. That's why I want to say, objectively, if there were any concerns raised, if you received any correspondence whatsoever from the—

**Mr. Rainer Beltzner:** None whatsoever.

**Mr. Jagmeet Singh:** Okay.

**M<sup>me</sup> France Gélinas:** Okay. How about I turn it around and say, what made you confident that you had their support?

**Mr. Rainer Beltzner:** My confidence—and I think the confidence of my team—came about from not only the many years of prior seeming support from government, but also by the fact that the individuals who were in the room appeared to understand what we were doing. They had some good questions to clarify things and certainly appeared to be very positive about it. So, after the first meeting, that was the message that we took.

We then had a second meeting with another ministry that was focused from a little bit different aspect—the finance ministry, for example—and they had some very good clarifying questions, but nothing in the least bit raising a concern, and then the final meeting once again.

So, over a period of many weeks, I believe there was more than ample opportunity for the government, through whichever ministry or through whichever ADM or DM, to communicate to either someone in Ornge or to the board, preferably—because it was the board doing the presentation—about any concern, and there was nothing.

**M<sup>me</sup> France Gélinas:** Could it be that those people communicated with the operational side of Ornge and that never came back to you?

**Mr. Rainer Beltzner:** There's nothing that I have heard since then that suggests in any way that there was any communication at all with anybody at Ornge.

**M<sup>me</sup> France Gélinas:** I fully agree with you. I have asked this question of 50 witnesses and got the exact same answer.

**Mr. Rainer Beltzner:** I know you have. I've read the testimony, and I have said in my opening statement, I fail to understand, and I wish this committee would investigate the point of why there was no communication—whether that was by accident, deliberate or whatever. The government kept us in the dark. I will make that statement time and time again.

**M<sup>me</sup> France Gélinas:** Can you, in your mind, with your experience and whatever else you can draw on, put together a scenario that could explain how, on one side, we have a deputy minister who says they were concerned, they tried to communicate with you, there were roadblocks and they couldn't; and then the other 50 witnesses have said the exactly opposite? Can you imagine a scenario where what you're saying and what the deputy and the minister are saying could be part of the same reality?

**Mr. Rainer Beltzner:** Ms. Gélinas, I've had over 30 years of experience with government in all forms: federal, provincial, municipal. I've never seen this. I cannot imagine why this should have happened. Mind you, having watched the Legislature over the last month or so on other topics, I have to say I continue to be surprised by how things are done. That's my only comment.

**M<sup>me</sup> France Gélinas:** Go ahead.

**Mr. Jagmeet Singh:** This is where I'm coming from, just so you understand my perspective. I think that in any transfer payment agency, boards are going to come,

they're going to go; some might be excellent, some may not be so good; but at the end of the day, my position is that the buck stops with the government. They provide the oversight. Given that context, I think the government should certainly have oversight and should have had oversight over Ornge.

Many of the things that went on—the compensation that shouldn't have gone on, some of the patient issues that shouldn't have gone on—went on with the board intact.

**1320**

What could the board have done differently? I mean, with absolute hindsight and given the fact that you relied on information that may have been inaccurate, what could the board have done now, if you went back in time and spoke to yourself and said, "Listen, Mr. Beltzner, my younger self, this is what you need to do to get to the bottom of this so that this doesn't happen"? What could you have done?

**Mr. Rainer Beltzner:** Mr. Singh, I can assure you that I have asked myself that question a hundred times. I have no doubt my fellow board members have asked that question themselves a hundred times. I don't think there is anything that we could have done differently, quite frankly. I've asked myself the question of, "When could signals have gone up earlier? When was there opportunity?"

We heard of the concerns expressed about financing of helicopters and fixed-wing. As I mentioned, this was not a secret at all. The raising of funds was something that was carefully discussed with the Ontario Financing Authority. If there was ever a question of concern, an initial flag might have gone up there that the government wasn't happy. No concern.

Certainly the MNP audit raised a number of questions about the performance agreement. I'm no expert on performance agreements. I'll admit that. But what I do know is that a performance agreement is a document that the government produces to set out the roles and responsibilities for others to perform under their watchful eye.

The performance agreement, to my surprise, contained no—it left Ornge completely independent, but still with the rights of government to oversee and examine everything. This was a rare instance. I've gone back now and looked at other performance agreements. This is a rather unusual one.

Perhaps there was an opportunity for government to raise signals earlier, but there's nothing there that I can see that we, as a board, could have done or might have done earlier. I believe very strongly that we did everything that was necessary to do carefully and with the belief that we had full honesty and transparency from management and full honesty and transparency from the government.

**Mr. Jagmeet Singh:** Okay. My colleague has more questions.

**M<sup>me</sup> France Gélinas:** I'm going to bring you back to the performance agreement, specifically when the MNP audit had raised a number of performance agreement

compliance issues. I'm on page 8 of your document, if you're interested, where you say that they "were appropriately resolved and subsequently monitored by the board through specific management reporting.

"However, the board was concerned about the delay in the ministry's reporting of external concerns."

You go on to say that you went on to write a letter. I'll read it exactly: "In a 2008 formal letter to Ruth Hawkins ... specifically requested that the ministry advise it"—as in Ornge—"and on a timely basis of any concerns it became aware of."

This is rather unusual for an agency to ask, in writing—

**Mr. Rainer Beltzner:** Excuse me. We're not an agency.

**M<sup>me</sup> France G  linas:** So what are you?

**Mr. Rainer Beltzner:** An independent not-for-profit. By definition, there are three types of agencies. The government—

**M<sup>me</sup> France G  linas:** Agencies, boards and commissions, you're not one of those. You're a—

**Mr. Rainer Beltzner:** Yes. Correct.

**M<sup>me</sup> France G  linas:** I call you a transfer payment agency. You're not a TPA?

**Mr. Rainer Beltzner:** No. I wouldn't classify us as a transfer payment agency. I'd classify us as an independent not-for-profit, or Ornge.

**M<sup>me</sup> France G  linas:** So Ornge—it's rather unusual for Ornge to write to the ministry, asking it basically, "Don't delay on reporting external concerns." Could you lead me through what brought you to do this?

**Mr. Rainer Beltzner:** Certainly. This had to do with a complaint that the ministry had received from—I'm searching my memory—a Mr. Walmsley, I believe, who had written the government about some concerns about us keeping double sets of books and things of that nature.

The letter was received by government, I believe some six, seven or eight months prior to Ruth Hawkins calling me and having a conversation with regard to this letter. We, of course, responded immediately and in depth, very open to audits coming in, examining and so on. But I was concerned on the question of why does it take six, seven, eight months to communicate something which clearly would be of concern to the board? I spoke to Ruth Hawkins about it at the time and expressed that I had never seen this before. My experience with government is that in my years, when there was a concern, they always called me up and said, "Can we work this out?" or something. So I decided, as I'm often apt to do, to put it in writing. I wrote to her and in my letter said, "Look, you need to communicate concerns on a timely basis, especially if they come in from external parties. We want, as a board, to know about this. We want to be able to deal with it." That's why that item was in there. It was a very, very specific request.

**M<sup>me</sup> France G  linas:** Do you figure things could have turned out differently if the whistle-blower—that was Mr. Walmsley, who did blow the whistle to the Ministry of Health. The Ministry of Health took seven

months to pick up the phone and tell you about it, and you went on to do your investigation. Would things have turned out differently had they picked up the phone seven months earlier?

**Mr. Rainer Beltzner:** No, I don't think so. The only thing that would have been different is that I wouldn't have included that comment in my letter to Ruth Hawkins.

**M<sup>me</sup> France G  linas:** Okay. You go on to say, "This request was seemingly not complied with. It was not until early 2012 that I and some other board members learned of the existence," and they had never. Basically, you are made aware of one whistle-blower that has gone to the ministry, and seven months later they call you. You do an investigation, and then nothing until 2012?

**Mr. Rainer Beltzner:** And then nothing until 2012, and I refer—for example, there's a very specific item that came up in January 2012, which was a fairly lengthy and quite comprehensive letter from a group of aviation companies. I'm sure that's in the files somewhere.

**M<sup>me</sup> France G  linas:** Yes, it is.

**Mr. Rainer Beltzner:** I and a couple of my board members were presented with this letter in early 2012. It was written, I think, at least a year earlier. That's the first time that we had seen it. You have to ask yourself the question, why was this not forwarded to the board?

**M<sup>me</sup> France G  linas:** Did you ask that question? It was actually written in November 2010.

**Mr. Rainer Beltzner:** Well, we certainly asked that question of ourselves. I don't think we had the, shall we say, lines of communication with the ministry open at the time.

**M<sup>me</sup> France G  linas:** But you heard no answer as to why?

**Mr. Rainer Beltzner:** I have not heard in any testimony here or in any discussion as to why that letter was suppressed.

**M<sup>me</sup> France G  linas:** The ministry never contacted you about any other whistle-blower that had gone to the ministry?

**Mr. Rainer Beltzner:** I've received no other contact about any other whistle-blower that had gone to the ministry at all, and neither, to the best of my knowledge, had any of my board members.

**The Chair ((Mr. Norm Miller):** You have about two and a half minutes.

**M<sup>me</sup> France G  linas:** Altogether?

**The Chair (Mr. Norm Miller):** No, you'll get another round.

**M<sup>me</sup> France G  linas:** Okay. The—you kind of disrupted my chain of thought there, Norm. I think I'll wait and add it to my second round.

**The Chair (Mr. Norm Miller):** We'll go to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Mr. Beltzner, you'll notice that there are some new faces since you were last here.

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** Mr. McNeely is a fixture, however.

I'd like to go back a little bit in terms of, when did you first meet Dr. Mazza?

**Mr. Rainer Beltzner:** It would have been late 2004, early 2005, somewhere around there.

**Ms. Helena Jaczek:** How did you meet?

**Mr. Rainer Beltzner:** I was working at the time for a large management consulting firm and specializing, obviously, in public sector practice and so on. Dr. Mazza called me up one day and asked me whether or not I could help him look at his current staffing and his current workload and do an assessment of whether the current staffing met the current workload requirements.

**Ms. Helena Jaczek:** At Sunnybrook, with the original—

1330

**Mr. Rainer Beltzner:** He was located at a facility on Sheppard Avenue.

**Ms. Helena Jaczek:** And what was his work at that point?

**Mr. Rainer Beltzner:** Well, he was responsible for the base ambulance program operated out of Sunnybrook.

**Ms. Helena Jaczek:** So he employed you.

**Mr. Rainer Beltzner:** He hired me as a consultant.

**Ms. Helena Jaczek:** He hired you.

**Mr. Rainer Beltzner:** Hired my firm, yes.

**Ms. Helena Jaczek:** Okay. And so you had frequent interactions with Dr. Mazza after that?

**Mr. Rainer Beltzner:** Well, I wouldn't necessarily say frequent. I mean, I went to that location. I interviewed most of the staff, and there were only, I think, five or six staff at the time, some staff responsible for paramedic training. There were no administrative staff because, of course, all of the administration was being handled by Sunnybrook and Women's. Non-province billings were handled out of the ministry and dispatch was handled out of the ministry, so it was a very small staff.

**Ms. Helena Jaczek:** Did you deliver reports?

**Mr. Rainer Beltzner:** I did.

**Ms. Helena Jaczek:** Have we ever seen that?

**The Chair (Mr. Norm Miller):** I don't believe so.

**Ms. Helena Jaczek:** I would like to have a copy of that report tabled, please.

**Mr. Rainer Beltzner:** I don't have a copy of the report. This is now over 10 years ago, or in that range.

**Ms. Helena Jaczek:** Yes, I'm just sort of exploring the relationship that you—

**Mr. Rainer Beltzner:** Yes. No, I don't have a copy of the report, but it would have been a standard, if I recall, BearingPoint management consulting report that says, "You asked us to do this; this is how we did it. Here are the results. Thank you very much."

**Ms. Helena Jaczek:** Do you remember whether you found the service adequate, or do you remember the results of your report?

**Mr. Rainer Beltzner:** To the best of my recollection, there were some gaps in the alignment of people to

activities, and I certainly would have highlighted those in the report.

**Ms. Helena Jaczek:** Did Dr. Mazza adopt your recommendations, do you know?

**Mr. Rainer Beltzner:** I honestly don't recall.

**Ms. Helena Jaczek:** Subsequent to that, when did he, as you've told us, invite you or suggest that you might be interested in the board of Ornge as chair?

**Mr. Rainer Beltzner:** It probably would have been within the following year.

**Ms. Helena Jaczek:** I see. And did you find that at all unusual, that you would be approached by someone who was apparently going to be the CEO? I haven't heard of too many CEOs inviting board members to sit on their board.

**Mr. Rainer Beltzner:** I don't think Dr. Mazza was CEO at the time. He was responsible for the base hospital operation on behalf of Sunnybrook and Women's, and as far as I understood—this is going back through some material provided by previous testimony—Dr. Mazza had been dealing with a variety of different ministers or deputy ministers of health, as well as the board of Sunnybrook, with a vision to consolidate. In Dr. Mazza's view, it would be fair to say he viewed it as a fractured air ambulance system in Ontario.

At some point—I mean, you heard Dr. Lester testify that the first step was the creation of the Ontario Air Ambulance Services Co., Inc.—

**Ms. Helena Jaczek:** But the proposal from Dr. Mazza to yourself was that you be the chair of this new entity.

**Mr. Rainer Beltzner:** Well, I first came on to the OAASC board as a member, and then when the other member—when that was changed, I became chair, yes.

**Ms. Helena Jaczek:** So at first you were just a member of the board, when it was Ontario Air Ambulance?

**Mr. Rainer Beltzner:** Correct.

**Ms. Helena Jaczek:** And Dr. Lester was there from Sunnybrook?

**Mr. Rainer Beltzner:** Correct.

**Ms. Helena Jaczek:** How big was that board? How many members?

**Mr. Rainer Beltzner:** When Sunnybrook was involved? I honestly can't remember. It could have been seven or eight.

**Ms. Helena Jaczek:** Seven or eight. And then subsequent to that, did you take this course, the ICD—

**Mr. Rainer Beltzner:** I did, yes.

**Ms. Helena Jaczek:** And that's where you met Mr. Pickford and Ms. Colle?

**Mr. Rainer Beltzner:** Yes. That was many years later.

**Ms. Helena Jaczek:** Many years later?

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** I see. So you were on the board, and then many years later you decided to take the course?

**Mr. Rainer Beltzner:** I was on the board, and then—I forget when I took the course. It was probably 2006 or 2007—somewhere in there.

**Ms. Helena Jaczek:** When you—

**Mr. Rainer Beltzner:** Well, it must have been 2007, because that's when I met Mr. Pickford and Bethann Colle.

**Ms. Helena Jaczek:** During the time 2004 to 2007, how would you describe your relationship with Dr. Mazza?

**Mr. Rainer Beltzner:** A client relationship, then I would say nothing other than a business relationship. There was certainly no personal relationship.

**Ms. Helena Jaczek:** So it was a bit of a reverse. First you provided a service to him, and now you were management and he was staff, essentially.

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** When you took the course and you recruited some new members, we heard from them that in fact you approached them directly. During that time, we do have in our documentation a report from the Globe and Mail by Karen Howlett dated February 15. A board member at the time, one Enola Stoye, apparently was asked to resign from the board, or her time on the board was going to be terminated.

Could you tell us a little bit about the conversation you had with Ms. Stoye?

**Mr. Rainer Beltzner:** Yes. The situation arose from a particular board meeting wherein Ms. Stoye made some, I would characterize them as, inappropriate, personal comments to Dr. Mazza, which were quite surprising. This led to a discussion with Dr. Mazza, who was rightfully upset about those comments. It led to a discussion with Luis Navas, who was head of the governance and compensation committee.

Then, subsequently, I had a discussion with Enola. During that discussion, I think we reached the appropriate conclusion that the relationship between Enola and Dr. Mazza was not going to get much better, that it was a relationship that went beyond, I would say, a typical board director's participation on a board. It got a little personal. As a result, I think we mutually agreed that it would be a good idea for her to step down from the board.

**Ms. Helena Jaczek:** According to what she was quoted in this article in the Globe and Mail, her version of events was that she had disagreed with the establishment of a charitable foundation, I think it was the J Smarts piece, using taxpayers' money. Do you remember that that was the situation?

**Mr. Rainer Beltzner:** Well, to the best of my recollection, that's a correct statement, but that's not why she left the board.

**Ms. Helena Jaczek:** What did you think about her judgment related to the establishment of this foundation?

**Mr. Rainer Beltzner:** She had her view. We had a long discussion at the full board about the establishment of that particular charity, and I think it's fair to say that, in that particular instance, Enola had one view and other board members had another view.

**Ms. Helena Jaczek:** How many people were on the board at that time?

**Mr. Rainer Beltzner:** Now you're pressing my memory. Six?

**Ms. Helena Jaczek:** I see. Did you think that was a good number to have?

**Mr. Rainer Beltzner:** Well, for a private not-for-profit, it's not an unusual number. I mean, I understand that hospital boards have 16 or more. Certainly, in my experience as chair of the board of Humber College, I had 16 or so board members, as stipulated under the various legislation. Certainly at TSSA, which is a delegated authority of the Ontario government, there were 13 members on the board: seven from industry, six appointed by government, but—

**Ms. Helena Jaczek:** That's fine; thank you.

**Mr. Rainer Beltzner:** —corporate boards, that's not unusual.

**Ms. Helena Jaczek:** Carver, of course—anyone who's studied corporate governance—is usually in the range of eight to 12.

**Mr. Rainer Beltzner:** I don't want to disagree with Mr. Carver, but I studied Carver quite extensively and have lectured on Carver's theory, and I think many not-for-profits would agree that Carver's theories are not exactly the correct ones.

**Ms. Helena Jaczek:** At the end of 2011, how many members were on the board?

**Mr. Rainer Beltzner:** At the end of 2011? Let me see. It would have been roughly the same number.

**Ms. Helena Jaczek:** About six.

**Mr. Rainer Beltzner:** About six, yes.

**Ms. Helena Jaczek:** So we have interviewed four plus you, so who are we missing?

**Mr. Rainer Beltzner:** I think you're missing Lorne Crawford, who is deceased.

**Ms. Helena Jaczek:** I see. That's unfortunate.

So, essentially, we can now deal with five members of the board through 2008 to 11?

**1340**

**Mr. Rainer Beltzner:** From 2008 until late 2010 or early 2011, before Mr. Crawford passed away, we had six members of the board, four of whom had gone through the ICD program, one of whom was an aviation expert—that's Mr. Lowe—and one of whom was a physician; that's Dr. Lester. Yes.

**Ms. Helena Jaczek:** I'd just like to turn now to remuneration. When you started on the board, how much was your remuneration?

**Mr. Rainer Beltzner:** In 2005, as a not-for-profit—not charitable status, but as a not-for-profit—my remuneration, according to Ornge records as provided to me by legal counsel at Ornge, was \$11,675.

**Ms. Helena Jaczek:** And in 2011?

**Mr. Rainer Beltzner:** In 2006, if I may just continue—

**Ms. Helena Jaczek:** No, I'd prefer not. I'd just to hear for 2011.

**Mr. Rainer Beltzner:** In 2011, the total remuneration was \$221,750.

**Ms. Helena Jaczek:** And where did that remuneration come from?

**Mr. Rainer Beltzner:** I previously testified to that point. It's in my previous testimony

**Ms. Helena Jaczek:** Please refresh our memories.

**Mr. Rainer Beltzner:** The remuneration for 2011 came from the for-profit company Ornge Peel. The for-profit company—that's fiscal year ended 2011, not calendar year. The for-profit company Ornge Air—my services as a member of the various committees, separate meetings with the AG and participation on the independent committee; I think \$155,000 was made up of the various retainers and \$66,750 was as a result of additional meetings.

**Ms. Helena Jaczek:** Did any of the money come from the Ontario taxpayer?

**Mr. Rainer Beltzner:** I would expect that, yes, some of it did.

**Ms. Helena Jaczek:** Do you not find that inappropriate?

**Mr. Rainer Beltzner:** Ornge was under a performance agreement with the government of Ontario as an independent not-for-profit—

**Ms. Helena Jaczek:** But you seemed to have emphasized to Ms. Gélinas the independent nature of this corporation—

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** —for which you were the chair of the board and ultimately responsible.

**Mr. Rainer Beltzner:** Yes. I'm sorry. What was the question?

**Ms. Helena Jaczek:** So the question is, don't you think it's inappropriate to use Ontario taxpayer dollars for your work on a for-profit corporation, essentially, which is what you turned Ornge into?

**Mr. Rainer Beltzner:** The company received monies from the Ontario public—the government—under what I viewed and what legal counsel has always told us was a commercial contract. We are not an agency of government and—

**Ms. Helena Jaczek:** So you could do with it what you wanted?

**Mr. Rainer Beltzner:** No, not at all. It's for the benefit of Ontarians, absolutely.

**Ms. Helena Jaczek:** Tell me how you spent your time, say, during 2011 earning \$200,000 as the chair of Ornge. You had quarterly board meetings with your small board of five individuals. What did you do in between time? Describe how many hours a week you were working for Ornge.

**Mr. Rainer Beltzner:** Probably through the course of 2010—the calendar year 2010—through to March/April 2011, I could well have spent 1,500 hours on Ornge and Ornge-related matters.

**Ms. Helena Jaczek:** Give me some examples. You were interested, as you have told us, with a patient focus. Were you looking at response times, amount of time of aircraft availability? I mean, that's a lot of hours.

**Mr. Rainer Beltzner:** Absolutely. First of all, as has been testified, we ended up with a large number of entities, including the for-profit subsidiary companies, Ornge Issuer Trust, the real estate company and so on. Each of these entities had its own board meetings and had its own financials—

**Ms. Helena Jaczek:** So was the bulk of your time spent on looking at these corporate entities and—

**Mr. Rainer Beltzner:** No. The bulk of my time—and I should say that if I say I spent 1,500 hours on Ornge over the course of the year, bear in mind that Ornge, the main company, was a charity and there was no remuneration received for that time. I would say I probably spent most of my time on Ornge and the Ornge Foundation, which again was a charity and there were no billings for that, of course.

**Ms. Helena Jaczek:** And how much revenue did these charities generate in terms of the foundation?

**Mr. Rainer Beltzner:** I don't have the financial records in front of me. I'm sure you can have access to that. It was certainly in the millions of dollars.

**Ms. Helena Jaczek:** And that was from which particular projects?

**Mr. Rainer Beltzner:** Again, you're trying to test my memory on this. There were a number of projects, both large and small. I seem to recall that there was a project at the charity that raised funds for young children transfers. You have a particular medical term for that, for dealing with babies and—

**Ms. Helena Jaczek:** Pediatric?

**Mr. Rainer Beltzner:** Pediatric transport, yes. We had a program to establish a pediatric transport program, and that was funded through a very generous donor. Then, of course, we had—

**Ms. Helena Jaczek:** For operating costs, or for capital expenditures?

**Mr. Rainer Beltzner:** Capital, and the various equipment necessary to outfit our helicopters and fixed-wing with pediatric. I think pediatric programs at the time, or movements of pediatric patients, were handled predominantly by a hospital in Ottawa and one in Toronto, and maybe one in London, if I'm correct. You would know this better than I.

This often required specialized staff from the hospital to come along, so there was—

**Ms. Helena Jaczek:** But presumably that was funded through the public dollars, the actual transport.

**Mr. Rainer Beltzner:** The actual transport—any patient in Ontario would be funded through public dollars, but I'm saying—

**Ms. Helena Jaczek:** Okay, so there was—

**Mr. Rainer Beltzner:** Your question on fundraising—there was fundraising there. There was certainly direct fundraising from the major suppliers to Ornge—

**Ms. Helena Jaczek:** And did that fundraising then subsidize some of your remuneration?

**Mr. Rainer Beltzner:** No, no, no. Monies that went into—all the fundraising that was done—there were two fundraising types, one that dealt with donor-specific

requests, which, for the most part, typically dealt with putting the money into a particular piece of equipment or something of that nature. Then there was fundraising of a general nature, to pay for the administrative costs of the foundation. For example, the foundation had an executive director, and the costs of that executive director were paid for by non-dedicated or non-specific donor dollars.

I'll give you an example. I did fundraising with a club that I belong to. I did Ornge fundraising within that club. We fundraise even as directors. We contributed significant dollars to the foundation for general-purpose dollars.

**Ms. Helena Jaczek:** You don't remember what you mean by "significant dollars"?

**Mr. Rainer Beltzner:** In terms of what I donated?

**Ms. Helena Jaczek:** Some sort of dollar amount?

**Mr. Rainer Beltzner:** Certainly it was in the thousands.

**Ms. Helena Jaczek:** Okay. Medical advisory committee: I'd just like to pursue that. Who attended from the medical advisory board at the board meetings—

**The Chair (Mr. Norm Miller):** You're on your last minute.

**Ms. Helena Jaczek:** Okay, I'll just ask this one before the next round.

**Mr. Rainer Beltzner:** Who attended from the MAC?

**Ms. Helena Jaczek:** Yes.

**Mr. Rainer Beltzner:** Okay. The first chair of the medical advisory committee was Dr. Bruce Sawadsky. He would attend. He was then replaced some years later by Dr. Yen Chow, who would come to the committee. It's generally those two individuals.

**Ms. Helena Jaczek:** Okay, we'll continue later.

**The Chair (Mr. Norm Miller):** Very well. Thank you. We'll move to the PC Party. Mr. Klees?

**Mr. Frank Klees:** Thank you, Chair. Mr. Beltzner, you spent considerable time in your opening remarks talking about the dire strait of Ontario's air ambulance service. Yet when we read the offering memorandum that your board approved for—was it \$230 million, the initial offering?

1350

**Mr. Rainer Beltzner:** I think it was \$275 million.

**Mr. Frank Klees:** It was \$275 million.

**Mr. Rainer Beltzner:** I think so.

**Mr. Frank Klees:** Throughout that entire offering memorandum, you speak glowingly to potential investors about the strong history of the air ambulance service, the worldwide reputation that that air ambulance service has. How could you do that, knowing what you told us about the state that the air ambulance system is in?

**Mr. Rainer Beltzner:** Well, first of all, I think the reputation and capability of the air ambulance system is made up of predominantly the front-line workers. They're the ones providing the medical care—and as well, the patch physicians who supervise and direct them.

The fact that on day one we had a rather disastrous communications infrastructure handed over to us did not need to be highlighted in the offering memorandum,

because we had fixed it by then. In fact, we had fixed it very quickly and without any interruption to service.

Again, you can just imagine being handed over an operation where the province-wide dispatch centre collapses on day one—no backup, no recovery; nobody knows what to do.

**Mr. Frank Klees:** And you call that, sir, a strong basis on which to boast about the air ambulance system that you're now going out to raise \$275 million of debt on?

**Mr. Rainer Beltzner:** Absolutely.

**Mr. Frank Klees:** Can you tell us who bought into that debt offering? Who bought into that debt offering? Who ultimately took it up?

**Mr. Rainer Beltzner:** I can't recall who the providers were.

**Mr. Frank Klees:** You don't?

**Mr. Rainer Beltzner:** No, I don't—

**Mr. Frank Klees:** That's a pretty significant debt offering. Do you remember one?

**Mr. Rainer Beltzner:** OMERS? I can't remember.

**Mr. Frank Klees:** Did any companies that you are associated with, or were associated with, take that offering up?

**Mr. Rainer Beltzner:** Not that I'm aware of. I wasn't involved in the road show on the debt offering. Certainly, there were a lot of negotiations going on with TD, Toronto-Dominion Bank, that I believe had floated us a loan while this was going on. I think they were, you know, intimately involved. We had experienced independent financial advisers working on it. But as to who finally took it up and to what percentage, I honestly can't recall.

**Mr. Frank Klees:** Okay. We heard about the for-profit entities and why they were put together. You spoke glowingly, in your extensive letter that was presented to the Ministry of Health, about the opportunity that those for-profit entities would have to generate profit and ultimately supplement Ontario's air ambulance service. Did you really believe that those for-profit entities would become successful?

**Mr. Rainer Beltzner:** Absolutely.

**Mr. Frank Klees:** Did you ever invest in them?

**Mr. Rainer Beltzner:** No.

**Mr. Frank Klees:** Why?

**Mr. Rainer Beltzner:** Well, for one, I don't have the money. I wasn't there as an investor.

**Mr. Frank Klees:** Why not?

**Mr. Rainer Beltzner:** What for?

**Mr. Frank Klees:** Well, if it was going to be so successful, would you not want to be first at the table, or at least indicate your willingness to invest in these companies?

**Mr. Rainer Beltzner:** I think this is—I don't know where you're going on this, but this kind of reminds me of a television show that is on periodically, where, you know, people come forward, looking for investment.

On the board, we're interested in securing additional sources of funds for Ornge. We're not on the board in



there to look at personal investments in something of this nature. We're certainly there—certainly I believed in it; the rest of the board believed in it. We received lots of data that suggested this was going to be successful. There had been strong expression of interest from different parts of the globe concerning Ornge's potential operations in their geography. So all the indications were that this was going to be successful.

**Mr. Frank Klees:** Did you get any shares in any of those corporations?

**Mr. Rainer Beltzner:** Yes. Subsequently, we found out that Dr. Mazza had allocated some shares in this company called OGMI, which was the initial, if you like, holding company of the limited partnership. A limited partnership, when it's created, has to have a partner that holds the shares, and this is the company that was created. Those shares would of course be significantly diluted as other people come in to buy into the limited partnership.

As I understood it, Dr. Mazza had offered each of the board members some half a per cent of a share or something. We never saw the shares. Certainly this came as news and all the rest of that. I can tell you that—

**Mr. Frank Klees:** Were minutes ever signed to issue those shares?

**Mr. Rainer Beltzner:** Pardon me?

**Mr. Frank Klees:** Were minutes signed to issue those?

**Mr. Rainer Beltzner:** I don't know. OGMI was a company that was—I believe Dr. Mazza, Maria Renzella and some other person might have been the officers of that company. I don't know. I had no insight into it.

**Mr. Frank Klees:** All right. So you found out that you had some shares; didn't know about it, even though you were the chair of the board. You did sign off, I understand, on a series of loans to Dr. Mazza: \$450,000 in July 2011; \$500,000 in July 2010.

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** The security for those loans: Do you recall what they were?

**Mr. Rainer Beltzner:** You and I had that discussion at the last testimony, and I explained that to you, yes.

**Mr. Frank Klees:** I'd like you to explain it again, please.

**Mr. Rainer Beltzner:** Well, with all respect, so that I get it the same—

**Mr. Lincoln Caylor:** From my client's perspective, we don't want to turn it into a memory exercise, and someone's going to compare and contrast testimony from three different occasions before this committee over three different times. While I'm sure he'll do his best to help you repeat and go through the areas—

**Mr. Frank Klees:** Well, fair enough. Let me remind you that the security for one of those loans was 5,101 class A common shares in Ornge Global Management Inc. Do you recall that?

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** Okay. What were those worth?

**Mr. Rainer Beltzner:** I think the question you asked me the last time I was here was, "What did you think the value of OGMI was?" And I think I said something like, "There have been numbers of \$100 million thrown around." I believe that's what you asked—

**Mr. Frank Klees:** I remember you telling me that they were worth \$100 million at the time, and I thought you might have had some time to think about it between now and then. You may want to revise your thinking.

Let me put the question differently. It doesn't really matter what someone told you they were worth. As the chair of the board, you knew full well what the asset value of that company was. What is a realistic value that you could testify to, that, with all of your professional background and knowledge, those shares were actually worth?

**Mr. Rainer Beltzner:** The best that I was able to testify is what I told you. I had no other basis. There were some numbers that had been provided floating around about the potential market value of these shares in the future, and that's what it was.

**Mr. Frank Klees:** No, I'm not talking about the future; I'm talking about at the time that you signed this note and lent this man \$450,000 and took as security this paper—because surely that's all it was, was paper, and yet you signed off on that. You took, as a pledge against a \$450,000 loan, paper. That's all it was worth at the time. Isn't that true?

**Mr. Rainer Beltzner:** There's no question about that.

**Mr. Frank Klees:** Okay. Can I ask you where the money came from, when the cheque was written out to Chris Mazza for \$450,000, and again \$500,000 in July 2010, and in March 2011, a \$250,000 advance against his bonuses? Where did that money come from? What was the source of that money?

**Mr. Rainer Beltzner:** The first of the loans, which was a housing loan provided by Ornge Peel, I believe—

**Mr. Frank Klees:** Where did the money come from? Where did Ornge Peel get that money?

**Mr. Rainer Beltzner:** Ornge Peel got that money as it got the money to pay Dr. Mazza's compensation, and the compensation of all employees of Ornge Peel at the time came from monies under the performance agreement.

1400

**Mr. Frank Klees:** So it came from the taxpayers.

**Mr. Rainer Beltzner:** It came from money under the performance agreement, yes.

**Mr. Frank Klees:** It has taken us 50-some witnesses to get to this point.

**Mr. Rainer Beltzner:** That particular housing loan to Dr. Mazza, which I will state is not an unusual thing to do, came from monies as a result of the commercial agreement between Ornge and the province.

The two other amounts came from monies, as far as I was led to believe, raised as a result of the marketing agreement with AgustaWestland and other sources other than funds from the performance agreement. In fact, I recall a conversation with Maria Renzella to say to Maria, "Are these funds available? Do we have the cash to do this?"

**Mr. Frank Klees:** And she assured you that the funds were there?

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** But you're not certain that that money came from anywhere—it may well have come from Ornge, right?

**Mr. Rainer Beltzner:** You know, Mr. Klees, as provided by testimony to this committee a number of times from various sources, there certainly appear to be flows of money that I and others on the board were not aware of.

**Mr. Frank Klees:** I'd like to just talk about the board and perhaps follow up a bit on Ms. Jaczek's questions. The current board of Ornge is being paid nothing; they're doing this as public service. When I look at the bylaws that were signed by yourself and Chris Mazza originally, those bylaws provided for no remuneration for directors. Then there were a series of amendments to those bylaws over time. By the way, what I find interesting is that Chris Mazza signed them as secretary.

**Mr. Rainer Beltzner:** Which company are you speaking of?

**Mr. Frank Klees:** Well, I'm talking about Ornge.

**Mr. Rainer Beltzner:** Ornge the charity?

**Mr. Frank Klees:** Yes.

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** So Chris Mazza—

**Mr. Rainer Beltzner:** There was no remuneration for board members of Ornge the charity.

**Mr. Frank Klees:** Well, no. There are others here too. I have an entire binder that relates to Ornge itself, not the charity, that also provide for no remuneration, initially. Then they were changed. But here's my point: In addition to the fact that board members determined that they should be paid significantly, what concerns me is when we go through the expenses, we also come across retreats by the board: Niagara-on-the-Lake, an \$8,000 bill here; retreats in Florida, another \$12,000 or \$14,000 bill. Can you tell me how you and your board members justify—at the same time that your front-line staff are bringing concerns to your management about understaffing, not enough paramedics, not enough pilots, about decisions that were made that your board must have known about to shut down a paramedic base in London, you feel quite good about spending those dollars at a retreat where you could just as well have had those meetings in your head office, knowing the dire straits that the organization was in. How do you justify that?

**Mr. Rainer Beltzner:** The beginning part of your question, where you claim that we knew about this and that, I again dispute. You're consolidating a multi-year timeline into a couple of instances. Let me respond to the specific retreats, as you call them.

The first retreat that we took was to Kenora in the middle of February, in which the board members sat in a cold Holiday Inn room, I think it was—it might have been something else—for a day, and then took rideouts.

I believe the second retreat was in fact one in Florida where we specifically went to see an operation in Florida

because we had wanted to get the board a look at a similar-sized or a reasonably comparable type of operation to kind of see what they were doing—because there's really nothing much else to look at around Ontario, quite frankly.

The other retreats that you mention, whether it's \$6,000 or \$8,000 or whatever the case may be, we did have one retreat, maybe two retreats, in a facility in Niagara-on-the-Lake because it was convenient. We did not have at the time—in one of them, I don't think we had a room that was capable of handling the presentations that were being done by external advisers on insurance plans and so on that I recall. So yes, we did go offsite a number of times. I don't think that's unusual.

In fact, I seem to recall in my experience on the board of Humber College that we attended sessions in different parts of Canada on an annual basis, which was paid for by Humber and paid for by all of the colleges—

**Mr. Frank Klees:** Mr. Beltzner, thank you very much. You have answered my question, and obviously there are no regrets there either.

**Mr. Rainer Beltzner:** No, I think they were very fruitful meetings.

**Mr. Frank Klees:** Well, obviously fruitful. I would hope so. According to the receipts, movies, minibars—you could have gotten yourself a room here at Queen's Park for next to nothing, and in terms of the convenience, I think the taxpayers and the patients out there who have been watching your presentation here are not very impressed. I would have thought at the very least you would have said, "You know what? That was a mistake," knowing the fiscal state that we're in.

I'm going to refer to a letter. How much time do we have, Chair?

**The Chair (Mr. Norm Miller):** You have four minutes.

**Mr. Frank Klees:** Okay. Here's a letter dated July 19, 2011, signed by you and addressed to Mr. Rob Nishman of the Ministry of Health. This letter, if you recall it, was in response to—

**Mr. Rainer Beltzner:** Could I have a copy of that letter? I don't recall it.

**Mr. Frank Klees:** Yes, you can. As a matter of fact, Chair—copies.

This was in response to an anonymous letter that was written to the Ministry of Health about concerns within Ornge, and it spoke about problems at the communications centre, patient care, medical dispatch, patient feedback, staffing at the Ornge bases, helicopter launch criteria, orientation and training and so on and so forth.

What was interesting about this is that in one of your closing paragraphs in this letter, on the last page under "Whistle-blower Policy," you state—this is your comment to the ministry. I quote: "The board has no plans to introduce a whistle-blower policy at Ornge until Ontario introduces similar protection for its residents. Currently, protection for whistle-blowers in the public sector is limited and largely unenforced and there is no protection at all for whistle-blowers in the private sector

in this province. This applies to an organization like Ornge.”

I find that incredible. I think every member on this committee has had emails and calls and brown envelopes from people within the organization who are desperate and were desperate to tell us what was going on. Here you had one example of someone actually coming forward to the ministry, blowing the whistle on what went on, and they got shut down. Your letter justifies everything. I don't know who wrote it, but you signed it.

In this letter as well, on page 3, there's a specific reference in the middle of the page entitled “Email from Randy L'Heureux.” You said, “As a result of a \$2-million shortfall in projected funding from the government and a further \$1.7-million HST negative impact, Ornge needed to manage our limited resources.”

1410

Mr. Beltzner, this is at a time when you and your fellow directors were hobnobbing it at retreats in Niagara-on-the-Lake and when you were shutting down paramedic facilities and when you were flying to Florida and flying to Europe and trying to drum up business about some vision that Dr. Mazza had. You got your focus off the core mandate that you were initially asked to look after and oversee, and that is emergency services for air ambulance here in the province of Ontario.

What we continue to hear—we've heard it now from your fellow directors; we're hearing it now from you: a very well organized presentation. You didn't know anything. Had you known, you might not have done anything different. You justify using taxpayer dollars for some vision out there.

I just got this, just now: Two minutes ago I got the news that Ornge sold two helicopters for \$10 million each. You and your board authorized the purchase of those two helicopters, which were not needed; they were going to be spares or for some other purpose. You bought them for \$11 million each. So now we're sitting on another loss of \$2 million to the taxpayers. Was that a good deal when you signed off on it?

I have to tell you, I see your presentation; I hear what you're saying. I have to tell you that, based on the experience that you have as a chartered accountant, as someone, as you say, having lectured on governance issues, knowing what you know, to have presided over the disaster that we have at Ornge, notwithstanding the lack of oversight by the ministry—I'm with you on that; they didn't do their job. But I can tell you, I believe it was the ministry; the board of directors failed miserably as well. Instead of acknowledging that, I hear nothing but justification from you. It's very disappointing.

**Mr. Rainer Beltzner:** Was there a question?

**Mr. Frank Klees:** No, I think we're out of time.

**The Chair (Mr. Norm Miller):** Thank you. You've used up your time for now.

If you do want to say anything, you're welcome to.

Okay, so we'll move on to the NDP. Madame Gélinas.

**M<sup>me</sup> France Gélinas:** I want to come back to a question that we've asked to all of the previous board mem-

bers. That is, when we found out that Dr. Mazza was getting a \$400,000-a-year stipend to provide medical directives as late as until he went on his medical leave and then quit, did you know?

**Mr. Rainer Beltzner:** No.

**M<sup>me</sup> France Gélinas:** When did you find out?

**Mr. Rainer Beltzner:** It came to the surface as a result of requests from the ministry to put together Dr. Mazza's compensation. I think in my previous testimony I said that was in late December at some point.

**M<sup>me</sup> France Gélinas:** So when the ministry asked for Dr. Mazza's salary, you put that together and then you became aware.

**Mr. Rainer Beltzner:** I believe it was the finance department or payroll department that put that number together.

**M<sup>me</sup> France Gélinas:** Okay. And you hadn't signed off on that compensation?

**Mr. Rainer Beltzner:** No. Let me be clear. Back in 2007, I did sign off, along with the chair of the governance and compensation committee, on a contract with Dr. Mazza to provide services as medical director. That was a continuation of a previous contract that he had, that I was assured that he had, from 2005, when Ornge was formed, that was signed off, I'm now told—I was told subsequently—by Jacob Blum and Dr. Mazza, which apparently was a contract that fell over from Sunnybrook and Women's.

Nevertheless, in 2007, Luis Navas, who was chair of the compensation and governance committee, approached me and said, look, we have this contract with Dr. Mazza, which is a contract that existed previously, etc. I read through the contract. I had a discussion with Mr. Navas concerning, you know, is this something that is needed, etc., and I signed off on it for that year, yes.

Apparently the contract had a continuation clause in it and Dr. Mazza continued to draw money from that throughout the years, as I understand.

**M<sup>me</sup> France Gélinas:** And was the initial contract for the same amount?

**Mr. Rainer Beltzner:** I don't recall. You'd have to pull out—I think somewhere around \$60,000 per region, something of that nature.

**Mr. Phil McNeely:** Chair, could I ask the witness to get closer to the mike? I'm missing it.

**Mr. Rainer Beltzner:** Yes, sorry. I'll do that; my apologies.

**M<sup>me</sup> France Gélinas:** Okay. You were the one who alerted the ministry about the contract between Dr. Mazza and Dr. Stewart?

**Mr. Rainer Beltzner:** Correct.

**M<sup>me</sup> France Gélinas:** How did you come to know that?

**Mr. Rainer Beltzner:** When I started to ask questions—again, in December of 2011—of the management team at Ornge, I was, as you can imagine, somewhat unhappy about the fact that payments had been made where there was no supporting invoice. You know, it's one thing if you've got a supporting invoice that says, “Yes, I

spent the time. I did this,” and so on, but there was nothing. You know, I then asked the question, “Well, who else is getting paid in this organization where there is no supporting invoice?” That’s against all policy; that’s against everything.

There were a couple of things that came up. One is—certainly, all of the patch physicians were under that kind of thing. They had a contract for services and they did not submit, as far as I understood, specific invoices, as I was told. But with respect to patch physicians, subsequently I was told by Dr. Sawadsky that in fact one of the things that he did was review the performance and time of all of the patch physicians to make sure that this was reasonable, still to keep them on.

One of the names that came up was the name of Dr. Stewart from Mt. Sinai. That came up from Mr. Tom Lepine. As I mentioned, I had a discussion with a number of the executives rather angry at the issue. Mr. Lepine said, “Well, there is this Dr. Tom Stewart at Mt. Sinai. Dr. Mazza had engaged him to do something and everyone at Ornge didn’t think that was necessary or services were being provided.” So, it’s another one of these things that I just said, “Okay, well, somebody better look at this.”

**M<sup>me</sup> France Gélinas:** So, how did it come to hit the Toronto Star a year later?

**Mr. Rainer Beltzner:** I have no idea. I think, you know, one of the principal investigators, Kevin Donovan, I think, as Mr. Walmsley referred to him—I don’t know; he comes up with this a year later. I mentioned this in testimony, I think, the first time I was here over a year ago, so I don’t know.

**M<sup>me</sup> France Gélinas:** Okay. So the compensation to physicians—they were on a retainer?

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** Their contracts were paid, whatever, bi-weekly or every month. Somebody checked that they had actually done some work. They didn’t submit an invoice, a timesheet or anything like this; they just got paid?

**Mr. Rainer Beltzner:** Yes, but I believe, because they were in charge of particular patient matters, they would have completed some information that’s required with respect to patient matters, because they were the ones on the phone dealing with paramedics as paramedics were dealing with patients. So, I presume, in the confines of the medical world there are some confidential documents that are prepared, that evidence that the physicians were involved.

**M<sup>me</sup> France Gélinas:** Okay. So, when you realized that there were payments to Dr. Stewart but he did not fit those criteria where you could trace back that he had been providing care, who did you tell?

**Mr. Rainer Beltzner:** At that point—I think that was an email that I wrote. I previously testified on that. It was an email, I think, that I wrote to Ken Flynn, of internal audit. It was part of another email basically saying, “You know, this came to my attention. You should check up on it and figure out what’s going on.”

**M<sup>me</sup> France Gélinas:** And did you hear back from the ministry?

**Mr. Rainer Beltzner:** No.

**M<sup>me</sup> France Gélinas:** You didn’t hear anything back?

**Mr. Rainer Beltzner:** None of the items that I raised to him—I think there were two correspondences that I raised to him, probably. The one correspondence was Dr. Mazza’s \$400,000, and then Tom Stewart’s thing. And then in January 2012, I called him and talked to him about what we had found out about the supposed payments for the weight upgrades. I have not heard back from Mr. Flynn on any of those letters.

1420

**M<sup>me</sup> France Gélinas:** Do you want to go?

**Mr. Jagmeet Singh:** Sure. Do you recall a correspondence that you received from Maria Renzella in 2010 where she requested that for Dr. Mazza’s role as the medical director for Ornge, for CCTU and for OCC he be given an additional stipend of \$125,000?

**Mr. Rainer Beltzner:** I recall that. My response back to Maria was—I asked a question of whether that was for his role as a patch physician, because I knew that he occasionally—more frequently, in some cases, because of shortages of physicians—sat in and did patch physician work. Maria’s response was, “Yes.”

**Mr. Jagmeet Singh:** Okay. So you asked for that clarification. In her letter, she mentions something to the effect that he was actively engaged in a number of quality initiatives that focused on improved efficiency and improved patient outcomes, and that this participation was above the activities normally performed by the medical director. Do you recall that type of language?

**Mr. Rainer Beltzner:** Yes, something of that nature.

**Mr. Jagmeet Singh:** And then in addition to this, it stipulated that there were three other specific areas of stipends and that the medical director gets a stipend of \$85,000 generally and then the medical director for the CCTU gets an annual stipend of another \$85,000. The other position, medical director of the OCC, would receive an annual stipend of \$135,000. Were you aware of those three separate—

**Mr. Rainer Beltzner:** I don’t recall those.

**Mr. Jagmeet Singh:** Okay. I asked you a question previously and I think the way I worded it wasn’t exactly what I wanted. I don’t fault you for your answer, but I’m going to try again.

**Mr. Rainer Beltzner:** Sure.

**Mr. Jagmeet Singh:** I think what I initially asked you and the way you understood it was: “Going back, is there anything you would have done differently in the board?” Given all the information that you had, you wouldn’t have done anything differently, but let’s say it’s this specific scenario: You know now all the information you know now. You know that Dr. Mazza’s salary, his compensation, was far above and beyond what it should have been: the additional \$400,000 that he didn’t provide services for. You know now about what, at the time and with the information that you had, didn’t seem like a kickback, but which now it starts to look like the

marketing services agreement, with the flow of money, can have a questionable appearance.

With that information now, if you told yourself in the past—what would you have done with that information, if you knew that there were some salary issues with Dr. Mazza, you knew that there were some patient care issues and you knew that there were some issues with that kickback? What would you have done with that information?

**Mr. Rainer Beltzner:** Had I known that, for example, Dr. Mazza was receiving monies for which he was not providing services, I certainly would have taken some measures to, first of all, stop the flow of money and, secondly, deal with Dr. Mazza's continuing employment. I cannot tell you how dealing with Dr. Mazza's continuing employment would have gone, but it certainly would have been dealt with.

Similarly, had we received evidence—and I emphasize “evidence”—concerning an unauthorized payment to Agusta—I will just clarify for you that in the board minutes approving the Agusta helicopter purchase, there was a specific clause in that agreement that said anything above and beyond significance to this purchase agreement had to have the board's approval or the signature of Dr. Mazza and Mr. Beltzner. I have never seen any of those additional payments. I have never seen my signature on any of those additional payments. Had I seen an additional payment, it would have gone through the board and it would have gone through a normal review process, presumably to determine whether it was appropriate or not. Had we become aware that it was not appropriate—I think, again, this is a matter of an OPP investigation, because I can tell you I do not know whether it was or wasn't. I've seen documents that suggest it was not supposed to have been made. I have not seen a money transfer that actually represents what was paid. So I don't know, all right? But had it been brought forward as an inappropriate payment, I can assure you the board would have acted on it.

**Mr. Jagmeet Singh:** Okay. Thank you.

**M<sup>me</sup> France Gélinas:** Answering questions from my colleague, you made it quite clear that you understand the difference between a not-for-profit corporation and a for-profit.

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** When you're part of the board of directors of a not-for-profit, the expectation of being paid for doing this is a no-no. You know that—

**Mr. Rainer Beltzner:** Well, no, that's not quite correct. Not-for-profit charity status: There's no payment to boards. A not-for-profit: In some instances, there is a stipend that's paid to a board director for attendance at meetings and so on.

**M<sup>me</sup> France Gélinas:** Okay. So the reason you accepted the \$200,000-plus payment was because of the time that you spent on the for-profit side?

**Mr. Rainer Beltzner:** Absolutely. Becoming a director on the for-profit side, particularly in an operation that handled financial management, that handled staffing, that

handled procurement—and then the other company that operated under a Transport Canada licence, an aviation operation—increases the risk to directors quite substantially, and the directors typically have a lot more work to do in those situations and are remunerated for that.

**M<sup>me</sup> France Gélinas:** But, see, I fail to see the difference, because when Ornge was only the not-for-profit, it did schedule staffing; it did make sure that it had an air Canada worthiness certificate; it did all of that already—

**Mr. Rainer Beltzner:** No, no. The initial Ornge, pre-2007, absolutely did have a staffing side that did the financial side, did the procurement. It did not have the licence to operate an airline. That was handled by CHL and the third party providers. It didn't have a licence to maintain aircraft, didn't have a licence to fly them. All of that was handled by third party providers, and I've talked about how that was done or not done.

I've talked about the reasons why we created Ornge Peel as a for-profit, and the transfer of non-Ambulance-Act-required staff from Ornge—which we had by then morphed into a charity status—into Ornge Peel. Ornge Air came about as we took delivery of the first fixed-wing aircraft.

**M<sup>me</sup> France Gélinas:** Okay. But the procurement function, the staffing functions were there when you were in the board of directors of the not-for-profit?

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** They got transferred to the for-profit—

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** —and that suddenly justified paying for what you were doing for free before?

**Mr. Rainer Beltzner:** Well, no. The timing is a little tight on this. Ornge, when it was first created, was a not-for-profit, purely a not-for-profit. As I testified, I and all of the directors received a modest stipend for the board meetings and other activities. In fact, in the first couple of years, I think we just did it on the basis of, you know, “It doesn't matter how many times we meet; this is the maximum.”

Then, when things became a little more complicated and Ornge Co. and Ornge Peel were formed, and Ornge became a charity, the stipends were increased. The difference was that because we started to have more meetings—the operation was more complex—we started to provide retainers as, you know, the chair of a committee, each committee meeting and so on.

So under the early days of Ornge, in the first couple of years, it was relatively straightforward. You had one company, a not-for-profit—it wasn't a charity. You had one company and fairly straightforward operations. So rather than trying to complicate matters, we just set a retainer on an annual basis and left it at that, and it wasn't a lot of money. As things became more complicated, again, we sought the advice of some experienced outsiders to give us advice on what the retainers should be and so on. But it's a fair amount of work.

1430

**M<sup>me</sup> France Gélinas:** And you feel that the compensation you received was justifiable?

**Mr. Rainer Beltzner:** Yes. Every one of my additional hours is detailed in billings to the companies involved, detailing what I did, who I did it with etc.—for example, the additional hours which were billed at a rate of \$250 an hour, which was anywhere from a half to a third of my normal billing rate.

**M<sup>me</sup> France Gélinas:** But you knew that the money to Ornge Peel was coming directly from the money that was what you call your performance agreement. I call it the taxpayer.

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** I'm trying really hard to understand your train of thought and your logic. So, if it comes from the taxpayer, you respect the fact that the board of directors does their work voluntarily with a minute stipend that we can all agree to pay—for your babysitter and your gas.

**Mr. Rainer Beltzner:** I think—no, I understand—

**M<sup>me</sup> France Gélinas:** Two hundred thousand dollars buys you a lot of babysitting.

**Mr. Rainer Beltzner:** I understand your confusion on the point. I think you need to understand that in the early years, the operation was, shall we say, far less complex from the point of view that you had, you know, third party providers doing most of the things. The number of staff was fairly small. As the company took on more of the responsibility and more of the operations, things become more complex and take more time. It's as simple as that.

But yes, the source of the money is the same, much like the source of the money, whether we pay CHL for flying aircraft and providing aircraft or are paying a finance company for having to pay for the purchase of aircraft for us, is all the same. The money comes from the performance agreement. The issue with the performance agreement is the performance agreement set out criteria that we were supposed to deliver service, and the question of how we deliver that service was left to Ornge to deal with, and that's straightforward.

**M<sup>me</sup> France Gélinas:** You're aware that now most of this staffing issue, the procurement issue and everything but—it's coming back to the not-for-profit, coming back to people who are doing it voluntarily. Ornge never grew to be anything, but it still is now.

**Mr. Rainer Beltzner:** I appreciate your comment, but the board, with all respect, that is dealing with Ornge today is dealing with a company that was not like that five years ago. This board that's dealing with things today did not need to go through the transition that we did, which is not to say they don't have tremendous challenges ahead of them.

I would not necessarily agree that it's the best idea to roll Peel back into Ornge. There are some legal liability issues, protection of Ornge assets and so on, that I would want to have a very close look at, but if that's what they choose to do, that's what they choose to do.

**M<sup>me</sup> France Gélinas:** You'll have—did you want to go?

**Mr. Jagmeet Singh:** Yes. One of the issues that you brought up in your comments and I just wanted it clarified—one area of concern came up that you had approached the ministry, given them some information, let them know about the direction you wanted to go, and you didn't get any clear correspondence saying, "No, don't go in that direction." But you also didn't get—now in retrospect, in hindsight—any clear, in-writing confirmation that they said, "Yes, go ahead with this."

**Mr. Rainer Beltzner:** That is correct.

**Mr. Jagmeet Singh:** So moving forward, for other boards, for other organizations or agencies, or for other entities like Ornge that the ministry provides the sole funding for, your recommendation to those board members is that the government should provide clear confirmation of whether they agree or disagree with the direction that an organization is headed in; and if the board members don't receive that, they should consider that they don't have the support of the government anymore and perhaps—

**Mr. Rainer Beltzner:** Well, as I indicated in my testimony, I think when you're on a board, whether it's on the board of Humber College, TSSA or any number of the charities and so on that I've been involved in, you have a right to expect open and honest communication from government. That's a fundamental right. I think if I knew then what I know now, I certainly would have said, "No written confirmation? Nothing more."

As I mentioned in my opening statement, I think boards would be well advised to not rely on no communication, no verbal communication—

**Mr. Jagmeet Singh:** They should insist on something in writing as something—

**Mr. Rainer Beltzner:** I think boards are well advised to get things in writing, yes.

**Mr. Jagmeet Singh:** That makes sense. Thank you.

Just building on Ms. Gélinas's point, do you agree now that, if there had been a for-profit, separate flow of income, a separate flow of funds coming in, there would be no issue with the board being remunerated—no one would have any issue with it? The fact that the income coming into any of the entities was still primarily taxpayer dollars—do you see that that wouldn't be the preferred choice? If the flow of monies is coming from taxpayer dollars, then ideally the remuneration for board members should be very modest. Do you agree with that sentiment, that generally speaking, that's a good idea?

**Mr. Rainer Beltzner:** I'm not certain that I would agree or disagree with that. I think I would have to study it a little bit more, because there are lots of complicated corporate structures that receive public funds, where you have, potentially, these types of situations. I really would not want to make a blanket statement on that; I would really want to study that.

**Mr. Jagmeet Singh:** Fair enough.

**Mr. Rainer Beltzner:** But I think it's worthwhile to study that particular point. You might take this as the lesson from Ornge, that this perhaps should be more specifically spelled out in performance agreements—

**The Chair (Mr. Norm Miller):** Thank you, and we'll move to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you. Mr. Beltzner, I'm going to summarize what I've been hearing this afternoon.

**Mr. Rainer Beltzner:** Certainly.

**Ms. Helena Jaczek:** You were chair of a board that was in receipt of \$150 million in taxpayers' dollars by 2011. You had a very small board; it sounds like there were six of you, including yourself, certainly during the last few years. Most of the members, with the exception of Dr. Lester, seem to have been hand-picked by yourself—

**Mr. Rainer Beltzner:** Incorrect.

**Ms. Helena Jaczek:** How is that incorrect?

**Mr. Rainer Beltzner:** I certainly identified Mr. Pickford and Ms. Beth Colle, two individuals. I did not identify Lorne Crawford, I did not identify Luis Navas at the time, I did not identify Dr. Lester—

**Ms. Helena Jaczek:** I've mentioned Dr. Lester—"some" of whom you approached.

**Mr. Rainer Beltzner:** Some of whom, yes. Thank you.

**Ms. Helena Jaczek:** When there was a dissenting opinion, i.e. Enola Stoye, it was suggested that that person resign—for whatever reasons, but certainly from her point of view, at least as we read the quote—

**Mr. Rainer Beltzner:** I don't believe it was on a dissenting opinion.

**Ms. Helena Jaczek:** All right. However, that person removed themselves.

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** You have a CEO whom you had actually worked for, and now you're chair of the board of this entity. It strikes me—and having heard some of my colleagues' comments related to expenses and so on—that you had kind of a cozy group who knew each other very well. I guess I would have to question the objectivity of that group in supervising and, as you say in your own brief, that you had proper oversight of management's activities and proper stewardship of the company. It just doesn't sound like that. In previous testimony, you even referred to being in some way at the mercy of Dr. Mazza. This is what it sounds like to me.

1440

**Mr. Rainer Beltzner:** My reaction would be—you've referred to us as a cozy group. I had never met Mr. Luis Navas previously, I had never met Dr. Lester previously, I'd never met Mr. Lorne Crawford previously, I'd never met Enola Stoye previously. The only people on the board that I'd ever met previously, other than happen-chance at events, would have been Mr. Pickford, who was in charge of an international tax practice in the same firm that I was in. But because we didn't deal with each other, we didn't deal with each other.

I object to the phrase of "cozy group." We did not socialize with each other, other than at board meetings and so on. We have no social friends together. We don't

operate in each other's businesses. So I don't understand the reference to the cozy group.

**Ms. Helena Jaczek:** I'm telling you the way it appears to me.

**Mr. Rainer Beltzner:** I'm just saying the way it appears to me.

**Ms. Helena Jaczek:** In terms of the risk that you alluded to, the risk now that you were moving into this for-profit group of companies—in fact, the complexity was of your doing. You created this complexity. Did you not have directors' liability insurance?

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** So where was the risk? Why did you require additional compensation to assume that risk?

**Mr. Rainer Beltzner:** Because the business is more complex, took more time. You know, it doesn't—

**Ms. Helena Jaczek:** But you were the authors of that complexity, which, as my colleague Ms. Gélinas has pointed out, is unnecessary.

**Mr. Rainer Beltzner:** What's unnecessary?

**Ms. Helena Jaczek:** Your core business was running air ambulance in Ontario. It is being run now without that complexity.

**Mr. Rainer Beltzner:** I'm not sure that the Ontario air ambulance air operation is brought together with Ornge. I think there are some aviation licence issues there still; aren't there?

**Ms. Helena Jaczek:** So what are you implying? That obtaining aviation licences was somehow risky for directors?

**Mr. Rainer Beltzner:** Whenever you're running an aviation company, I think that's riskier than running a back-office company, for example.

**Ms. Helena Jaczek:** Let's turn to the founders' equity plan. You're no doubt familiar with that. It's referenced in the auditor's report. Did you have any role in the creation of that plan?

**Mr. Rainer Beltzner:** No.

**Ms. Helena Jaczek:** You're chair of the board.

**Mr. Rainer Beltzner:** What's that got to do with it? I wasn't the chair of the board of OGMI.

**Ms. Helena Jaczek:** Would you have a role in relation to a creation of some new plan within the umbrella of the organization you had proper oversight of?

**Mr. Rainer Beltzner:** I fail to understand the question. OGMI was a separate entity as being the principal at the time it was created. Again, if you look at the timing, it's created in early 2011 or mid-2011, whenever it was, to hold the initial shares of the limited partnership that would be invested into by third party investors. That particular company, if you like, the initial holder of the shares—would I have paid particular planning interest in that agreement? No.

**Ms. Helena Jaczek:** Did you expect to receive any benefit from this founders' equity plan?

**Mr. Rainer Beltzner:** No, not at all. In fact, the board members, after having received the notice—I know we chatted amongst ourselves and, in fact, had even sought some legal advice on how we could allocate those shares

over to Ornge because we had not looked for any benefit or remuneration out of this thing, so we consulted with Cynthia Heinz, who had written back to us in a variety of memos saying, This was complicated; that was complicated. It would have to be done in this trust,” and so on. We never did get around to finally doing that because events overtook us, but that’s what—

**Ms. Helena Jaczek:** So you, as the chair of Ornge, had no role in the creation of the founders’ equity plan?

**Mr. Rainer Beltzner:** That is correct.

**Ms. Helena Jaczek:** Why would you think that the Auditor General would have had difficulty in receiving documents in relation to this plan?

**Mr. Rainer Beltzner:** The Auditor General was in doing an audit of Ornge, and I know when the request came through Ornge from the Auditor General to receive copies of certain documents that were on the, if you like, other side of the fence, Ornge had no control of or oversight or had no controlling interest, if you like, in that side of the operation.

**Ms. Helena Jaczek:** Who did?

**Mr. Rainer Beltzner:** That would have been the Ornge Global GP board.

**Ms. Helena Jaczek:** And who was chair of that board?

**Mr. Rainer Beltzner:** I was chair of that board.

**Ms. Helena Jaczek:** So surely, then, you had a role in the creation of the plan.

**Mr. Rainer Beltzner:** I repeat again: I had no role in the creation of the plan.

**Ms. Helena Jaczek:** But you were the chair of that particular private sector entity.

**Mr. Rainer Beltzner:** Of the GP board, yes.

**Ms. Helena Jaczek:** Well, I’m totally bewildered.

So when you did find out that the Auditor General was having difficulty obtaining documents, were you involved in any of those discussions? What did you say to that request?

**Mr. Rainer Beltzner:** As I recall, the request came through—the request went to Dr. Mazza, because it was the founders’ equity plan, which is part of OGMI, and Dr. Mazza is the principal shareholder of OGMI. The request went to him; he refused the request, and that was it.

**Ms. Helena Jaczek:** When you say “OGMI,” it’s Ornge Global Management Inc. Is that—

**Mr. Rainer Beltzner:** Correct.

**Ms. Helena Jaczek:** Do you have a question?

**Ms. Dipika Damerla:** Yes, I do. Thank you, Mr. Beltzner. I’ve been following these proceedings, and I also was there when some of the other directors were asked questions. What I heard from a lot of the other directors was a certain sense of regret that, you know—

**Mr. Rainer Beltzner:** Sorry?

**Ms. Dipika Damerla:** A certain sense of regret that things could have been different. I have to be honest: I haven’t heard that from you at all today—not in your, I guess, formal submission earlier on and the exchanges that have been going on. So I thought I’d ask the question

directly. Do you regret anything at all in your time as chair of the board of Ornge in your various capacities? I guess there were a few boards.

**Mr. Rainer Beltzner:** Absolutely. There are lots of things I regret.

**Ms. Dipika Damerla:** Can you give me some examples of what you regret?

**Mr. Rainer Beltzner:** Well, having learned of apparently negative impacts—apparent negative impacts—to Ornge patients, I certainly regret that the information didn’t come to us on a timely basis and deeply enough for us to be able to deal with that. So I sincerely regret that.

**Ms. Dipika Damerla:** Let me rephrase that. I’m not talking about regret of circumstances but regret in terms of what you have done, your actions.

**Mr. Rainer Beltzner:** Well, as I said before in my testimony, knowing now some of the things that have come out, I certainly regret that I wasn’t able to deduce these things in the past. I’ve always thought of myself as being fairly conscientious, and I delve into details as necessary. I would say, though, that I don’t know that I could have done anything different. I just wish I could have, you know?

From that point of view, yes, I certainly regret what everybody has had to go through in the last couple of years. It’s a terrible thing: the impact on former employees of Ornge, the impact on Ontario patients, the impact on all of you, the impact on me personally and my former board members, alive and deceased.

I think Dr. Lester put it well: You spend a lot of time in your life trying to do the right thing, and this is something that my history will show. I spent a lot of years doing the absolute right thing to the best of my ability. I certainly regret that I wasn’t able to figure this out earlier—absolutely.

**1450**

**Ms. Dipika Damerla:** Let me ask you a more specific question. You’re an auditor; you’re a chartered accountant. Do you regret, for instance, submitting movie tickets—when you were on your various trips—to the taxpayer, given that you were already taking \$200,000 as a director’s fee? Do you regret that?

**Mr. Rainer Beltzner:** I don’t recall submitting movie tickets. I—

**Ms. Dipika Damerla:** But if you did—I mean, we have some records that show that you did.

**Mr. Rainer Beltzner:** You know, if I submitted an invoice for a muffin or—

**Ms. Dipika Damerla:** We’re talking movie tickets, not muffins.

**Mr. Rainer Beltzner:** I would regret that. Sure.

**Ms. Dipika Damerla:** You would regret that. So given that—I mean, you keep saying that you were a good steward. But it shows a lapse of judgment that you would ding the taxpayer, frankly, for something as small as movie tickets. That’s—

**Mr. Rainer Beltzner:** Well, just—

**Ms. Dipika Damerla:** Let me finish. Let me finish.



**Mr. Rainer Beltzner:** No, no. Before you finish, you're making an accusation that I dinged the taxpayer for movie tickets. Maybe I did; maybe I didn't. But I honestly don't recall that I did. If you can show me an expense report that I submitted that had a movie ticket on it, I'd be pleased to say that I regret that. But I don't recall that, honestly.

**Ms. Dipika Damerla:** Okay. Let's just move on. I just want to go back to the whole idea—earlier in your testimony, I heard you say that of the 1,500 hours in the last year that you spent on board work, the bulk of it was on the not-for-profit area. That's what I heard.

**Mr. Rainer Beltzner:** A lot of it was on the charities: Ornge, Ornge Foundation and so on.

**Ms. Dipika Damerla:** Given that the bulk of your time was for not-for-profit activities, how do you justify a \$200,000 director's fee for the for-profit organization where you spent, according to your own testimony, very little time?

**Mr. Rainer Beltzner:** Well, I didn't say I spent very little time. I spent a considerable amount of time. My time is very adequately recorded in the board minutes, where I attended every board meeting, every committee meeting. I think it's fair to say that if my attendance wasn't darn near 99.9%, it would be unusual, and there were a lot of meetings.

My time is also very well spelled out in the invoices that I sent for additional fees at \$250 an hour for specific duties, as requested—not padded, not overinflated—and lots of time that I provided to promote Ornge, to raise funds for Ornge, so I don't understand.

**Ms. Dipika Damerla:** How many board meetings for the for-profit entity would there have been in that one-year period?

**Mr. Rainer Beltzner:** At a minimum, you would have four board meetings, four meetings of the operations committee, four meetings of the compensation and governance committee, four meetings of the finance committee.

**Ms. Dipika Damerla:** All on different dates, or same day but just different meetings?

**Mr. Rainer Beltzner:** They would go over continuing days. It's not always possible. For example, obviously, you couldn't have an operations committee meeting and a finance committee meeting the same day as a board meeting. It just didn't make sense because you need to kind of deal with information change and so on.

The meetings were scheduled as information was best available through dealings with the board secretary and so on.

**Ms. Dipika Damerla:** I'm just wondering why you needed four compensation meetings. It sort of speaks to your priorities, I guess.

**Mr. Rainer Beltzner:** Well, it does, because, if you recall—or you may not recall—compensation included the rather difficult matters of union negotiations. Quite a number of the staff at the organization were part of CAW, OPSEU and then the other organization I can't remember that deals with pilots.

In particular, there were some periods of time when there were extensive negotiations going on between Rhoda Beecher, who represented the company, and the various unions that impacted all of the companies. So the board, through the governance and compensation committee, received, as necessary, quite a number of updates and updates on the issues that were there.

I can tell you, the most difficult of those issues had to deal with paramedics and their union, simply—

**Ms. Dipika Damerla:** I get the drift, yes.

**Mr. Rainer Beltzner:** You get the idea.

**Ms. Dipika Damerla:** Yes. I'm just going to move on to the idea of using taxpayer dollars to fund a for-profit organization. I know you keep saying the money came through the performance agreement, and technically you're right. But at the end of the day, the money that came through the performance agreement is taxes that I paid and probably you paid.

**Mr. Rainer Beltzner:** Right.

**Ms. Dipika Damerla:** So I'm just wondering, as a chartered accountant, as a trained accountant—surely there's a Chinese wall. You have the for-profit; you have the not-for-profit. The taxpayer funds the not-for-profit in socialized medicine. Now we're moving into a territory of for-profit. Given your fiscal, fiduciary background, why would you authorize the flow of taxpayer dollars to a high-risk venture in the for-profit world instead of going to the markets for seed money?

**Mr. Rainer Beltzner:** Well, we essentially went to the market for that high-risk venture. When we initially created the two for-profits, Ornge Peel and Ornge Air, Ornge Peel was initially created as a for-profit in order to give the company—Ornge—or the group the flexibility to conduct management consulting, paramedic training for others and to flow those monies back into the operation. At the time—

**Ms. Dipika Damerla:** No, I get the intent. I'm asking, why would taxpayer dollars be used? I'm just trying to understand. Were you a good steward of taxpayer dollars, to move money to a for-profit venture? That's all I want to know, not what your company was going to do and the great plans—just ideologically, or philosophically.

**Mr. Rainer Beltzner:** Well, I would just rephrase the question and say there's nothing wrong with having services delivered from a for-profit entity as long as the profits from that entity revert back.

**Ms. Dipika Damerla:** Right. So, all over again, you would have no problem, if you were in a similar position, flowing taxpayer dollars to a for-profit entity? That's what you're telling me.

**Mr. Rainer Beltzner:** For a wholly owned and controlled for-profit entity, I can see—

**Ms. Dipika Damerla:** So no lessons have been learned here?

**Mr. Rainer Beltzner:** Well, certainly some lessons have been learned. I mean, certainly, as I said in my testimony, I would certainly suggest that the performance agreement that was signed back in 2005-06—you know, I don't think it was the best agreement.

**Ms. Dipika Damerla:** Yes.

**Mr. Rainer Beltzner:** There were a number of suggestions made in 2007-08 to have that agreement amended. I would repeat: I don't understand why that agreement was not amended by government. Certainly, government had the right to amend the agreement, and so it's just—you know, I can't say anything more about that.

**Ms. Dipika Damerla:** Yes. All right, thank you very much.

**Mr. Rainer Beltzner:** Okay.

**The Chair (Mr. Norm Miller):** Thank you very much for coming before the committee again, Mr. Beltzner.

This meeting is adjourned.

*The committee adjourned at 1458.*



# CONTENTS

Wednesday 1 May 2013

Special Report, Auditor General: Ornge Air Ambulance and Related Services .....	P-147
Mr. Rainer Beltzner.....	P-147

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