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Addressing Corporate Wrongdoing

Davies Partner John Bodrug Discusses CBA Position on Proposed Changes to Integrity Regime and Deferred Prosecution Agreements

In an [article](#) published by the Canadian Bar Association, [John Bodrug](#) commented on the CBA's feedback on the federal government's consultation on addressing corporate wrongdoing, including proposed revisions to the Integrity Regime and the possible introduction of deferred prosecution agreements. (The Integrity Regime contemplates disqualification, or "debarment", from government contracts for up to 10 years if a company is convicted of certain specified offences.)

Having contributed to the feedback on behalf of the CBA, John said that the proposed changes appear to be "a response to business and industry concerns about the very severe consequences [of debarment] for companies that rely heavily on government contracts." He added that the key message in the CBA's commentary is that "greater flexibility in the program is warranted and the deferred prosecution agreements are another mechanism that would add to that flexibility."

Reflecting on the fact that innocent people who had nothing to do with any wrongdoing can be harmed by a company's debarment, including other employees, shareholders, and even taxpayers, John remarked that it may be worth re-examining whether the Integrity Regime is an appropriate mechanism to punish corporate wrongdoing, "particularly where a corporation has responded appropriately by removing or disciplining the relevant employees and making any appropriate revisions to its compliance program and making any restitution."