

# Former SNC-Lavalin CEO Jacques Lamarre once promised an Algerian contact he'd send him a polar bear

[Thomas Watson, Special to Financial Post](#) | Feb 5, 2013 6:00 AM ET

Steven C. Amstrup, Polar Bears InternationalLavalin, the engineering firm Jacques Lamarre worked with in the early 1980s and that was later acquired by rival SNC, had a tough time winning contracts in Algeria until it successfully built a revolutionary monument. The Algerian client contact was a military commandant who one day asked Lamarre to name the strongest animal. "I said, 'The white bear.' He said, 'I would like to have one,' and I said, 'Okay, we will give you one.'"

Not too long ago, then head of Montreal-based SNC-Lavalin Jacques Lamarre was basking in the glory of turning a Canadian company into a global success story. Today, the engineering giant's reputation is in tatters amid allegations of bribery at home and abroad. Authorities are focused on actions taken after Lamarre retired in 2009, but the culture he built while delivering shareholders a 1,486% return during 13 years at the helm has been called into question.

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Lamarre insists he is absolutely "shocked" by the turn of events. He shouldn't be, because he knows the ethical challenges faced by companies that compete in corrupt environments and the lengths he was once willing to go to keep a client happy.

In the early '80s, Lamarre was an executive with Lavalin, an engineering firm that was later acquired by rival SNC in 1991. Lavalin had a tough time winning contracts in Algeria until it successfully built a revolutionary monument designed to commemorate the nation's 20th anniversary of independence. The client contact was a military commandant who one day, late at night, asked Lamarre to name the strongest animal. "I said, 'The white bear,'" Lamarre recalled to me five years ago. "He said, 'I would like to have one,' and I said, 'Okay, we will give you one.'"

Lamarre tried putting the guy off the next day by describing the need for a sophisticated polar bear habitat. The ploy didn't work, so Lavalin jumped through regulatory hoops to secure not one, but two polar bears. "They come in pairs. So I got two bears," Lamarre said. "After that, I don't know what happened, but one bear slipped, broke its hip and had to be killed."

At this point, a PR exec prevented him from telling the complete story. But with public interest in SNC-Lavalin raised by the current scandal, I recently contacted Lamarre, who

freely offered more details. He says his memory is foggy, but no bear was ever shipped because a proper facility never materialized. The goal, he added, was to help stock an Algerian zoo, not provide private pets. Lamarre eventually saved face by sending his Algerian contact a polar bear skin.

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Lamarre laughed when first telling me about his polar bear story, which clearly would have run afoul of SNC-Lavalin's current code of ethics since it rules out gifts that could be seen as an attempt to influence, not to mention ones that could simply embarrass the company. Leslie Quinton, SNC-Lavalin's senior vice-president of communications, notes "gift-giving rules for all companies have evolved considerably over the years."

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But as Gerard Seijts, executive director of the Ian O. Ihnatowycz Institute for Leadership at the Richard Ivey School of Business, points out, CEOs set the tone in their organizations. "What they say, do, tolerate or sanction affects how others around them feel and behave."

And a mining CEO who recently studied best practices in fighting corruption says: "You can't laugh about agreeing to buy a contact polar bears years ago without someone in your organization seeing it as a nod and a wink to push the envelope."

Certainly, Lamarre believed in long leashes, something he learned from his father, who let him live on his own at 16 so long as good reports came in from school. If things were going well at SNC-Lavalin, executives understood Lamarre didn't want to hear about how things got done. As the company history notes, he "put his trust" in his people and was rewarded with "a more profitable and integrated company."

When handing the SNC-Lavalin baton to Pierre Duhaime in 2009, Lamarre was fully confident his successor would "guide this company to new zeniths." Instead, Duhaime is at the centre of the corruption scandal. If any of the allegations prove true, Lamarre may have every right to feel betrayed, but he shouldn't be too surprised. When asked about what he did with his freedom from parental supervision as a young kid, the answer was "everything."