



March 7, 2007

Ken Krawetz, MLA
Room 132, Legislative Building
2405 Legislative Drive
REGINA SK S4S 0B3

Dear Mr. Krawetz:

I am writing in response to your letter of March 1, 2007, to the Premier about the settlement of the legal proceedings instituted by Murdoch Carriere. I am pleased to respond to your questions and to provide some additional information related to these events.

In May of 2003, Mr. Carriere commenced an action in the Court of Queen's Bench against Joanne Crofford, the Government of Saskatchewan and the following five media defendants: James Parker, Saskatoon StarPhoenix Group Inc., Canwest Publications Inc., Transcontinental Media Inc. and Prince Albert Daily Herald Group Inc. In February of this year, the action between Mr. Carriere and all of the defendants was settled. As the government announced on February 27, 2007, the settlement on behalf of the government defendants involved the payment to Mr. Carriere of \$275,000. Additionally, Mr. Carriere was allowed to make contributions to his pension plan with the government that entitles him to receive a full pension based on 35 years of eligible service.

The media defendants named above also settled, but have not made the amount paid to Mr. Carriere public.

In settling the lawsuit, the government obtained from Mr. Carriere a full release of all possible claims that he might have against the government, its employees and all members of the Legislative Assembly, past and present. The unusual scope of the release was based on the government's concern that certain individuals, including members of the Opposition, had made statements in April of 2003 that, although not the subject of the lawsuit brought by Mr. Carriere, were arguably defamatory. For the reasons outlined below, we believed that it was in the public interest to conclude all matters related to the dismissal of Mr. Carriere in April of 2003.

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Media reports on April 1, 2003, indicated that Mr. Carriere was disciplined by the Deputy Minister of the Environment as a result of the Gillies Report. That discipline took place within the public service and independently of elected officials. Those events came to the attention of elected officials as a result of those same media reports. Members of the Opposition were vocal in their disagreement with the discipline imposed and made their disagreement known in the legislature. Media outlets published comments from a range of sources urging the government to intervene as well as editorial comment to that effect. As promised by Minister Crofford in the Legislative Assembly, the government promptly reviewed the harassment investigation and disciplinary decision.

We concluded that the discipline meted out by the Deputy Minister was inadequate. Further, it was our view that the relationship of trust and confidence required between an employer and employee was damaged such that Mr. Carriere's continued employment was untenable. Minister Crofford requested and the Premier directed that Mr. Carriere be fired.

We were aware that dismissing Mr. Carriere could make the government liable for damages. That risk was publicly stated. The StarPhoenix published an article on April 3, 2003, with the headline: "Lawsuit could be a windfall for fired manager." In that article, Ms. Julé was quoted as commenting that her party would pay Ms. Crofford's legal bills if it formed government.

The government believes in the principle of an independent public service, and by that we mean a public service that is independent of partisan politics. This approach requires a separation of roles between a professional public service, responsible for administrative and personnel matters, and that of elected officials, responsible for representing the public interest in setting policy direction for government. To protect the public service from political interference, The Public Service Act gives the permanent heads of government departments the exclusive power to hire and fire most public servants. Nevertheless, we acted in overturning the Deputy Minister's decision.

Following the events of early April 2003, we reviewed the anti-harassment policy then in place. As a result of that review, the government's process for decision making in the most serious cases of harassment was amended to require the permanent head to assemble a panel of his or her peers to discuss any proposed discipline/dismissal and obtain their feedback. Through this support, we intend that the decision making process in these very difficult cases is strengthened, resulting in more consistent approaches across government and helping to assure the continued separation of the public service from elected officials.

The following are answers to your specific questions:

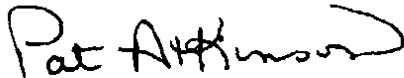
1. Legal services related to the Murdoch Carriere litigation were provided by lawyers in the Department of Justice. A dollar value can not be attributed to in-house legal services. No legal fees for outside counsel were incurred.
2. The government has not paid any of Mr. Carriere's legal expenses.
3. The government has not paid matching contributions to Mr. Carriere's pension. Mr. Carriere was allowed to make contributions towards the fulfillment of his obligations in relation to his pension plan with the government that entitle him to receive a full pension based on 35 years of eligible service. The government will incur an expense to pay the increased value of the pension.
4. Mr. Carriere was paid \$31,826 during the period of his suspension with pay (October 9, 2002 to February 11, 2003). He was suspended without pay effective February 12, 2003.
5. Mr. Carriere owed the government \$4,011.96 for personal use of government vehicles and telephones. The whole amount was recovered.
6. The circumstances in which Terry Scott ceased to be an employee of the government did not include a period of suspension. Shortly after the termination of Mr. Carriere's employment with the government, Mr. Scott asked the government to consider whether he could continue to fulfill his duties as a deputy minister, given the manner in which events had unfolded. After due consideration, the government agreed with Mr. Scott that it was to the mutual advantage of Mr. Scott and the government to allow him to resign, on the understanding that he would receive a severance package commensurate with his years of service to the government and all other factors normally applied in such circumstances.
7. Terry Scott was paid a total of \$184,290.35.
8. In October of 2003, the government paid \$1,950 to Walter and Walter Mediators for services respecting an attempt at mediation of both the claims of Murdoch Carriere and the claims of employees who complained of harassment. I am advised that there are no other costs associated with the civil litigation. The government would have incurred costs related to the operation of the courts, the Dispute Resolution Office and other government institutions.

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In response to your request for reasons why the government settled with Mr. Carriere I can only say that settlement was appropriate. As I stated earlier, we knew from the outset that our actions carried a risk of liability and our legal advice was to settle. The settlement took into consideration the risk of an adverse judgment, the cost of legal proceedings, the utilization of government resources and our concern about the stress that interviews and testimony would cause for the complainants, their families and co-workers, some of whom had already been through a criminal trial.

The politically easy thing to do would have been to continue the litigation. But that was not the appropriate thing to do. We concluded the legal proceedings by negotiating a settlement.

Sincerely,

A handwritten signature in black ink that reads "Pat Atkinson". The signature is written in a cursive, slightly slanted style.

Pat Atkinson
Minister Responsible for Public Service Commission

cc: Premier Lorne Calvert