

## **Audit fails to rule out gold heist at Mint; Security probe called as sloppy bookkeeping rejected as cause of missing riches**

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The federal government has ordered an immediate review of security at the Royal Canadian Mint after an external audit suggested criminal activity could be behind the disappearance of \$15.3 million worth of gold and other precious metals.

The months-long external review ruled out sloppy bookkeeping or accounting errors for the fact that 17,500 troy ounces of gold (about 544 kilograms) has gone missing, raising the possibility that thieves took it.

"A higher amount of gold should be on hand than the physical amount of gold counted," concludes the report, prepared by Deloitte and Touche.

And the review reveals that some silver, platinum and palladium is also missing, although Mint officials could not say how much.

The review, released yesterday, urges the Mint to examine security to "identify theft opportunities," although officials boast their facility is already among the most secure in North America.

"We suggest a more in-depth review be undertaken to assess potential inappropriate activity," the review says.

Three weeks ago, a federal cabinet minister ordered the Mint to call in the RCMP, suggesting that the audit results were already known in government circles.

The Mint says it will file a claim against its insurance policy in a bid to recoup the value of the metals.

The government yesterday ordered the Mint to commission an "independent and comprehensive" review of security procedures.

In future, the Mint will be required to report on inventory levels of all precious metals every quarter.

In a joint statement late yesterday, Transport Minister John Baird and Rob Merrifield, minister of state for transport, called the unexplained loss "inexcusable" and said the Mint would be held "accountable."

The transport department oversees the Mint's operations.

As well, all bonuses payable to executives are being delayed "until this matter is resolved to our satisfaction," the statement said. Merrifield did not return phone calls yesterday.

The review's findings sparked an angry reaction from opposition politicians, who accused the Conservatives of deliberately playing down the disappearance, which was first detected during a routine count last October.

"It could be larger than the great train robbery and could turn out to be the largest gold theft in the history of the country," NDP Leader Jack Layton said. "Where was the due diligence at the cabinet table? Was there any kind of cover-up of the magnitude?"

With accounting not to blame, Liberal MP Joe Volpe (Eglinton-Lawrence) said it looks increasingly like a heist and questioned why the government waited 10 weeks before alerting the police.

"This is classic mismanagement and incompetence. Somebody has to take responsibility," Volpe said.

Mint spokesperson Christine Aquino noted yesterday that the mint faced large demand for its gold products last year - production of the 24-carat, Gold Maple Leaf bullion coin was up 353 per cent - putting the facility under strain.

But Aquino called the mint "one of the most secure facilities in Canada, and I would say the world."