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## Behind the story: How The Globe uncovered Hockey Canada's use of player registration fees in sexual-assault settlements

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Most Canadians had never heard of the National Equity Fund before a Globe and Mail investigation this summer revealed that millions of dollars of player registration fees were routinely channelled into a special reserve inside Hockey Canada that was used to settle sexual-assault claims.

It wasn't something the sport's national governing body disclosed in its annual report, on its website, or in its audited financial statements. For anyone interested in knowing about the fund, even the most rudimentary details about how it operated were kept from the public.

But the investigation that [revealed the inner workings of the National Equity Fund](#) – exposing the link between registration fees and sexual-assault payouts, and angering parents and players across the country – began with a single question. When Hockey Canada quietly settled a \$3.55-million lawsuit this spring, filed by a woman who alleged she was sexually assaulted by several members of the 2018 national junior team, where did it get the money?

At parliamentary hearings on June 20, MPs demanded to know whether government funding was the source, and Hockey Canada executives assured them it wasn't. So where

did the money come from? Hockey Canada's answers to this question were conspicuously vague.

We first started hearing about the possible existence of a fund used for sexual assault and other legal settlements in late June. But there seemed to be no concrete evidence – no record of what the fund was called, how it was used, or how large it was. The fund was a mystery.

Then, around Canada Day, a document surfaced from a lawsuit filed against Hockey Canada by an injured player in Ontario. A single paragraph from that document provided the first fragment of evidence that such a fund existed. But it was far from enough on its own.

### ***The McCurdie affidavit***

In a sworn affidavit filed in response to the injury lawsuit, Hockey Canada's vice-president of insurance and risk management, Glen McCurdie, explained the organization's various forms of insurance coverage. In doing so, he also mentioned Hockey Canada kept a reserve to cover uninsured liabilities, which included, among other things, potential historical claims for sexual abuse.

The reference to sexual abuse was jarring, but the McCurdie affidavit didn't contain enough detail to be conclusive. It didn't reveal whether the fund had been used, how much money the unnamed reserve contained, or what the source of the funding was. It was easy to explain away as a simple contingency fund.

When The Globe asked Hockey Canada about the McCurdie affidavit in early July, the response left many key questions unanswered and played down the mention of sexual abuse.

And since Mr. McCurdie went on leave soon after giving that sworn statement, and later retired, lawyers for the other side never got the chance to cross-examine him.

The fund was an enigma. But then more evidence emerged from an unexpected place.

### ***The discovery documents***

Hidden among the hundreds of pages of files associated with that lawsuit was a bigger clue to how the fund worked.

On July 4, Hockey Canada's lawyers in the injury lawsuit filed what are known as cost submissions to the court. These are routine documents that lay out the legal fees associated with a case. Most of the time, such documents are easily overlooked. But wading through the entire court file revealed something unusual.

Attached to Hockey Canada's cost submissions was a document known as a Pre-Trial Memorandum. This laid out the evidence and allegations gathered during the confidential discovery portion of the proceedings.

It was a trove of new information that was not supposed to be public and had somehow found its way into the file. But it put on record numerous facts about this little-known fund and its role in sexual-assault settlements.

The documents described a financial reserve inside Hockey Canada known specifically as the National Equity Fund, which had been used to settle various sexual-assault claims outside the courts, and without Hockey Canada's insurance.

The fund was fed by registration money from participants across the country, establishing for the first time a connection between the fees paid by parents and players and a series of sexual-assault settlements Hockey Canada hadn't disclosed to the public.

"Hockey Canada regularly used these funds to settle sexual-abuse claims," the documents filed by lawyers for the injured player say, based on evidence gathered during discovery. "Hockey Canada has used these funds to fully indemnify itself and the alleged sexual abusers."

The fund now had a name. That information could then be cross-referenced with Hockey Canada's financial records, revealing how much money was historically held in reserve.

### ***The financial statements and the annual reports***

Though Hockey Canada hadn't disclosed its audited financial statements to the public for decades, it is required to file them each year with the Canada Revenue Agency. Through an access-to-information request, The Globe obtained the audited filings for 2015 to 2021 and began cross-referencing information from the financial statements with references in the legal documents.

The National Equity Fund is listed as a line item on Hockey Canada's financial statements, with minimal information describing how it operates. Anyone reading the financial records, without also having read the disclosure documents, would have no idea what the millions of dollars listed under that particular fund were for. There was certainly no mention of its role in sexual-assault claims.

It was then necessary to search Hockey Canada's website, its annual reports, and the insurance handbook made available to parents and players to see what disclosure had been made to participants about the fund. There was very little.

Though it exceeded \$15-million some years, the National Equity Fund was talked about in surprisingly sparse detail. Any reference to sexual-assault cases was non-existent, as was detailed information about when and how often the fund was deployed. This lack of disclosure was a problem, since proper governance standards require accountability, transparency and strict controls over how such money can be used.

### ***Nearly 20 years of records***

To get a historical picture of the fund and its growth over time, The Globe filed another access-to-information request for all available financial records.

The request came back with [nearly 20 years of audited financial statements](#) dating back to 2003. It was the most complete picture of Hockey Canada's financial status to date, and made it easier to track the growth and evolution of the National Equity Fund. The documents also showed significant amounts of money moving out of the fund in certain years.

In early July, The Globe reached out to MPs on the parliamentary committee investigating Hockey Canada to find out what they knew about the National Equity Fund. No one had heard of it. But the revelation was startling, and word of the McCurdie affidavit soon began to circulate around Ottawa and the media.

But the affidavit alone wasn't enough to understand the fund, how it was deployed, or where the money came from. When The Globe published the investigation revealing the National Equity Fund on July 19, parents and players across the country learned for the first time that their hockey registration fees were used for a purpose [they had never been told about](#). It was proof that Hockey Canada kept a fund built by their fees to settle multiple sexual-assault claims outside of the courts, and outside of its insurance policies.

"What we're learning today is absolutely unacceptable," Prime Minister Justin Trudeau said the morning the investigation was published.

"The National Equity Fund caught everyone off guard," Conservative MP Kevin Waugh said.

A week later, Hockey Canada disclosed during parliamentary hearings that the fund had been used to settle \$7.6-million worth of claims related to sexual assault. But it wasn't the only such fund the organization had built.

### ***A second fund hidden in Alberta court records***

An extensive search of court documents across the country turned up documents in Alberta showing that Hockey Canada had transferred \$7.1-million from the National Equity Fund to create a second reserve, known as the Participants Legacy Trust Fund.

This similar reserve was created for the organization and its provincial members, and could also be used in sexual-assault lawsuits. Though it had never been deployed, it was designed to be a backup for the National Equity Fund.

After [that investigation was published in October](#), MPs on the parliamentary committee chastised Hockey Canada for failing to disclose a second fund, created for the same purpose.

With both funds now under scrutiny, Hockey Canada soon changed course. In December, when the organization decided to voluntarily make its 2021-22 audited financial statements public, it included new details about the National Equity Fund. It also listed – for the first time – information about the Participants Legacy Trust fund, including an acknowledgement from its auditors that the trust needed to be disclosed.

All told, it required several months, and more than 30 documents obtained from a variety of sources, to piece together the details of these secretive funds and their relationship to player registration fees.

And it took the emergence of legal documents that would have otherwise been sealed from the public to bring the troubling details about the National Equity Fund out into the open.