

The Canada Revenue Agency executes search warrants relating to tax fraud

Montréal, Quebec, April 8, 2009 ... The Canada Revenue Agency (CRA) executed search warrants yesterday concerning tax fraud investigations. The CRA has reason to suspect that the three companies involved, Simard-Beaudry Construction inc., Construction Louisbourg Ltée, and Hyprescon, have funneled close to \$4.5 million to two “dummy” corporations that have no commercial activity and that were used as part of a false invoicing scheme. These corporations are run by businessman Antonio Accurso.

This type of scheme allows individuals or companies to obtain invoices from, generally, an inactive company for fictitious work. The invoices are then used to fraudulently reduce the individuals’ or companies’ revenues. The resulting tax savings are shared by the scheme’s participants to use as pay-offs or for personal gain.

Search warrants were also executed against four CRA employees and these employees were suspended without pay for the duration of the CRA internal investigation, as per the Code of Ethics and Conduct. “All alleged cases of misconduct on the part of CRA employees are taken seriously and are investigated. When cases of professional misconduct are uncovered, disciplinary measures are taken,” said the Honourable Jean-Pierre Blackburn, Minister of National Revenue. “A breach of the CRA’s Code of Ethics and Conduct is subject to discipline, up to and including termination of employment,” added the Minister.

The CRA actively pursues tax evaders to maintain public confidence in the integrity of the tax system. The Government is committed to protecting Canada's tax base and continues to take action against the underground economy, which appears to be more active in certain sectors.

The protection of taxpayer information is taken very seriously. The CRA continually reviews its internal processes to prevent people from trying to obtain tax information illegally and to ensure the protection of taxpayers’ rights.

The CRA has approximately 45,000 professionals across the country and is recognized and respected for its strong administration. Controversies involving one or more employees do not reflect the honesty and integrity of the thousands of CRA employees who conduct themselves in an exemplary fashion.

Canadians must be confident that our self-assessment system of taxation works and that it is fair.

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