



News release

The Canada Revenue Agency revokes the registration of Operation Save Canada's Teenagers as a charity

Ottawa, Ontario, January 14, 2011. . . The Canada Revenue Agency (CRA) will revoke the charitable registration of Operation Save Canada's Teenagers, a Toronto-area charity. The notice of revocation will be published in the *Canada Gazette* with an effective date of January 15, 2011.

On November 23, 2010, the CRA issued a notice of intention to revoke the charitable registration of Operation Save Canada's Teenagers, in accordance with subsection 168(1) of the *Income Tax Act*. The letter stated, in part, that:

Our audit of Operation Save Canada's Teenagers (the Organization) has identified serious non-compliance with the requirements of the Act. In particular, throughout the course of the audit, significant receipting discrepancies were discovered, and the Organization provided falsified bank statements to substantiate revenues and expenditures of the Organization.

The Organization was unable to provide a complete record of donation receipts issued. A large number of duplicate copies of receipts were either missing or not maintained. Of the receipts provided by the Organization, serious discrepancies were noted including receipts for gifts of services such as car rentals, musical instrument rentals and facility rentals.

The Organization reported, for the 2006 and 2007 fiscal years, charitable expenditures of \$654,043 and \$1,057,707 respectively. However, our audit was unable to confirm that any amounts were devoted to their charitable activities.

The notice of intention to revoke and other letters relating to the grounds for revocation are available to the public on request by calling **1-800-267-2384**.

A charity that has had its charitable status revoked can no longer issue donation receipts for income tax purposes and is no longer a qualified donee under the *Income Tax Act*. The organization is no longer exempt from income tax, unless it qualifies as a non-profit organization, and it may be subject to a tax equal to the full value of its remaining assets.

The vast majority of Canadians and registered charities are honest and comply with the law. However, there are those individuals and organizations who seek to exploit the generous tax incentives the government has put in place to support charitable giving. The CRA audits registered charities to ensure they are compliant with the law. The CRA takes fraud seriously. Where fraud is discovered, those participating will face serious consequences which may include criminal charges, monetary penalties, and the revocation of charitable status. Where non-compliance is not fraudulent in nature, those participating may still face serious consequences including monetary penalties, the suspension of tax-receipting privileges and/or the revocation of registered charitable status.



Canada Revenue
Agency

Agence du revenu
du Canada

Canada

For more information about the registration of Canadian charities, go to the CRA's Charities and Giving Web page at **www.cra.gc.ca/charities**.

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For media information:

Media Relations
613-957-3522