



**CANADIANS FOR TAX FAIRNESS**  
CANADIENS POUR UNE FISCALITÉ ÉQUITABLE



## Media Release

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# Report: Costly Problems, Mismanagement at CRA

**Ottawa** - The Liberal government needs to act immediately to fix problems that are affecting the Canada Revenue Agency's ability to investigate and prosecute cases involving offshore tax schemes of multinationals and wealthy Canadians. That's the conclusion of a Canadians for Tax Fairness report based on interviews with 28 current and retired tax professionals at the agency.

"Canadians often hear of problems at the CRA," says Dennis Howlett, executive director of the tax watchdog group. "Now we have the first public confirmation by those on the front lines. The agency has been undermined. Prime Minister Trudeau and National Revenue Minister Diane LeBouthillier must address this if they are truly committed to fair taxation."

Repeated themes in the interviews included:

- corporate lobbying to avoid prosecution,
- political interference about proceeding with investigations,
- high attrition rates of experienced professionals
- reduction or shutdown of enforcement offices across the country
- concerns about capacity to carry out professional duties under the current structure

Auditors and managers also spoke of the agency's limited capacity to keep up with a tax avoidance industry that creates ever bolder schemes. There is [\\$199B of Canadian money](#) in tax havens.



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Canadians for Tax Fairness estimates at least \$10B annually in lost revenues as a result of offshore tax schemes.

Canada currently has no method for calculating the Tax Gap – the difference between what should be paid in taxes and what is actually collected.

The report recommends immediate actions to restore integrity in the process of raising revenue:

- Prioritize and prosecute big tax avoidance schemes rather than focussing on charities, non-profits and smaller cases
- Proceed with a stalled court case against KPMG's activities on the Isle of Man.
- Implement a Tax Gap report
- Boost the CRA's capacity for investigation and enforcement of tax haven cases.

To conduct and publish the results of the interviews, Canadians for Tax Fairness promised to uphold the anonymity of participants. No tax taxpayer data was discussed and no comments about specific cases were solicited or given.

“This is a group of people that take rules seriously,” says Howlett. “Participants were very aware of confidentiality agreements and a Code of Ethics that threatens discipline for even a general discussion of how the agency serves Canadians. Yet they were willing to risk discipline in order to blow the whistle on the serious problems they saw and continue to see.”

Canadians for Tax Fairness is a national tax watchdog committed to fair, effective taxation and wise use of government revenues to benefit all Canadians.

**For more information:**

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