



CANADA REVENUE
AGENCY

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DU CANADA

REGISTERED MAIL

Mission Against Poverty Shelter
354 Rexdale Blvd.
Etobicoke ON M9W 1R6

Attention: Jacob Ohizua

BN: 877307108 RR0001

File #:3024561

July 27, 2009

Subject: Revocation of Registration
Mission Against Poverty Shelter

Dear Mr. Ohizua:

The purpose of this letter is to inform you that a notice revoking the registration of Mission Against Poverty Shelter (the Organization) was published in the *Canada Gazette* on July 25, 2009. Effective on that date, the Organization ceased to be a registered charity.

Consequences of Revocation:

- a) The Organization is no longer exempt from Part I Tax as a registered charity and **is no longer permitted to issue official donation receipts**. This means that gifts made to the Organization are no longer allowable as tax credits to individual donors or as allowable deductions to corporate donors under subsection 118.1(3), or paragraph 110.1(1)(a), of the *Income Tax Act* (the Act), respectively.
- b) By virtue of section 188 of the Act, the Organization will be required to pay a tax within one year from the date of the Notice of Intention to Revoke. This revocation tax is calculated on prescribed form T-2046 *Tax Return Where Registration of a Charity is Revoked* (the Return). The Return must be filed, and the tax paid, on or before the day that is one year from the date of the Notice of Intention to Revoke. A copy of the Return is enclosed. The related Guide RC-4424, *Completing the Tax Return Where Registration of a Charity is Revoked*, is available on our website at www.cra-arc.gc.ca/E/pub/tq/rc4424.

Section 188(2) of the Act stipulates that a person (other than a qualified donee) who receives an amount from the Organization is jointly and severally liable with the Organization for the tax payable under section 188 of the Act by the Organization.

- c) The Organization no longer qualifies as a charity for purposes of subsection 123(1) of the *Excise Tax Act* (ETA). As a result, the Organization may be subject to obligations and entitlements under the ETA that apply to organizations other than charities. If you have any questions about your GST/HST obligations and entitlements, please call GST/HST Rulings at 1-888-830-7747 (Quebec) or 1-800-959-8287 (rest of Canada).

In accordance with *Income Tax Regulation* 5800, the Organization is required to retain its books and records, including duplicate official donation receipts, for a minimum of two years after the Organization's effective date of revocation.

Finally, we wish to advise that subsection 150(1) of the Act requires that every corporation (other than a corporation that was a registered charity throughout the year) file a *Return of Income* with the Minister of National Revenue (the Minister) in prescribed form, containing prescribed information, for each taxation year. The *Return of Income* must be filed without notice or demand.

If you have any questions or require further information or clarification, please do not hesitate to contact the undersigned at the numbers indicated below.

Yours sincerely,



for Danie Huppé-Cranford
Director
Compliance Division
Charities Directorate
Telephone: 613-957-8682
Toll free: 1-800-267-2384

Enclosures

- Copy of the Return (form T-2046)
- Canada Gazette publication

Cc: Mr. Duke Oliogu,

Ms. Rosaline Ironbar, Bsmt



REGISTERED MAIL

Mission Against Poverty Shelter
354 Rexdale Blvd.
Etobicoke ON M9W 1R6

JUN 05 2009

BN: 877307108 RR0001
File #: 3024561

Attention: Mr. Jacob Ohizua

**Subject: Notice of Intention to Revoke
Mission Against Poverty Shelter**

Dear Mr. Ohizua:

I am writing further to our letter dated September 18, 2008 (copy enclosed), in which you were invited to submit representations as to why the Minister of National Revenue (the Minister) should not revoke the registration of Mission Against Poverty Shelter in accordance with subsection 168(1) of the *Income Tax Act* (the Act).

We have now reviewed and considered your written response dated October 16, 2008. However, notwithstanding your reply, our concerns with respect to the Mission Against Poverty Shelter's non-compliance with the requirements of the Act for registration as a charity have not been alleviated. Our position is fully described in Appendix "A" attached.

Conclusion:

Our audit has revealed serious issues of non-compliance with the *Income Tax Act* (the Act). In particular, significant receipting discrepancies were discovered and it was found that the Mission Against Poverty Shelter (the Charity) did not maintain, or was unable to provide, adequate records to substantiate the tax-receipted revenue, operating expenditures and other financial information reported to the Canada Revenue Agency (CRA).

For the 2006 fiscal period, the Charity represented to the CRA that it issued \$36,572 in tax-receipted donations. However, the CRA has evidence indicating the Charity issued official donation receipts in 2006 totalling \$265,179 representing a discrepancy of \$228,607. While the Charity contends that this discrepancy is attributable to forged receipts, no records were available for inspection by the CRA to substantiate the Charity's claim.

The Charity has issued receipts for transactions that do not qualify as gifts; issued receipts otherwise than in accordance with the Act and its Regulations; has failed to maintain and failed to provide adequate records to support its activities; and has used its income for

the personal benefit of its directors. For all of these reasons, and for each of these reasons alone, it is the position of the CRA that the Charity's registration should be revoked.

Consequently, for each of the reasons mentioned in our letter dated September 18, 2008, I wish to advise you that, pursuant to the authority granted to the Minister in subsection 168(1) of the Act, which has been delegated to me, I propose to revoke the registration of the Charity. By virtue of subsection 168(2) of the Act, revocation will be effective on the date of publication of the following notice in the *Canada Gazette*:

Notice is hereby given, pursuant to paragraphs 168(1)(b), 168(1)(c), 168(1)(d) and 168(1)(e) of the Income Tax Act, that I propose to revoke the registration of the organization listed below under subsection 149.1(2) of the Income Tax Act and that the revocation of registration is effective on the date of publication of this notice.

Business Number	Name
877307108 RR 0001	Mission Against Poverty Shelter Etobicoke ON

Should you wish to object to this notice of intention to revoke the Charity's registration in accordance with subsection 168(4) of the Act, a written Notice of Objection, which includes the reasons for objection and all relevant facts, must be filed within **90 days** from the day this letter was mailed. The Notice of Objection should be sent to:

Tax and Charities Appeals Directorate
Appeals Branch
Canada Revenue Agency
250 Albert Street
Ottawa, ON K1A 0L5

A copy of the revocation notice, described above, will be published in the *Canada Gazette* after the expiration of 30 days from the date this letter was mailed. The Charity's registration will be revoked on the date of publication, unless the Canada Revenue Agency receives an order, **within the next 30 days**, from the Federal Court of Appeal issued under paragraph 168(2)(b) of the Act extending that period.

Please note that the Charity must obtain a stay to suspend the revocation process, notwithstanding the fact that it may have filed a Notice of Objection.

Consequences of Revocation

As of the effective date of revocation:

- a) the Charity will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts**. This means that gifts made to the Charity would not be allowable as tax credits to individual



September 18, 2008

REGISTERED MAIL

Mission Against Poverty Shelter
354 Rexdale Blvd.
Etobicoke, ON M9W 1R6

Attention: Jacob Ohizua

BN: 877307108 RR 0001
File #: 3024561

Subject: Audit of Mission Against Poverty Shelter

Dear Mr. Ohizua:

This letter is further to the audit of the books and records of Mission Against Poverty Shelter (the "Charity") conducted by the Canada Revenue Agency (the "CRA"). The audit related to the operations of the Charity for the period from January 1, 2005 to December 31, 2006.

The CRA has identified specific areas of non-compliance with the provisions of the *Income Tax Act* (the "ITA") and/or its *Regulations* in the following areas:

AREAS OF NON-COMPLIANCE:		
	Issue	Reference
1.	Books and Records	ITA 230(2)
2.	Personal Benefits	ITA 149.1(1)
3.	Official Donation Receipts	ITA 230(2)(b), Reg. 3501
4.	Information Return (Form T3010)	ITA 149.1(14)

The purpose of this letter is to describe the areas of non-compliance identified by the CRA during the course of the audit as they relate to the legislative and common law requirements applicable to registered charities, and to provide the Charity with the opportunity to address our concerns. In order for a registered charity to retain its registration, legislative and common law compliance is mandatory, absent which the Minister of National Revenue (the "Minister") may revoke the Charity's registration in the manner described in section 168 of the *ITA*.

The balance of this letter describes the identified areas of non-compliance in further detail.

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donors or as allowable deductions to corporate donors under subsection 118.1(3), or paragraph 110.1(1)(a), of the Act, respectively;

- b) by virtue of section 188 of the Act, the Charity will be required to pay a tax within one year from the date of the Notice of Intention to Revoke. This revocation tax is calculated on prescribed form T-2046 "*Tax Return Where Registration of a Charity is Revoked*" (the Return). The Return must be filed, and the tax paid, on or before the day that is one year from the date of the Notice of Intention to Revoke. A copy of the relevant provisions of the Act concerning revocation of registration, the tax applicable to revoked charities, and appeals against revocation, can be found in Appendix "A", attached. Form T-2046, and the related Guide RC-4424, "*Completing the Tax Return Where Registration of a Charity is Revoked*", are available on our website at www.cra-arc.gc.ca/charities;
- c) the Charity will no longer qualify as a charity for purposes of subsection 123(1) of the *Excise Tax Act* (ETA). As a result, the Charity may be subject to obligations and entitlements under the ETA that apply to organizations other than charities. If you have any questions about your GST/HST obligations and entitlements, please call GST/HST Rulings at 1-800-959-8287.

Finally, I wish to advise that subsection 150(1) of the Act requires that every corporation (other than a corporation that was a registered charity throughout the year) file a *Return of Income* with the Minister in prescribed form, containing prescribed information, for each taxation year. The *Return of Income* must be filed without notice or demand.

Yours sincerely,



 Terry de March
Director General
Charities Directorate

Attachments:

- CRA letter dated September 18, 2008;
- Charity letter dated October 16, 2008;
- Appendix "A", Response to Representation of October 16, 2008; and
- Appendix "B", Relevant provisions of the Act

Cc: Mr. Duke Oliogu


Ms. Roseline Ironbar


Identified Areas of Non-Compliance:**Books & Records****Legislation:**

Pursuant to paragraph 230(2)(a) of the ITA, every registered charity shall keep records and books of account at an address in Canada recorded with the Minister or designated by the Minister containing information in such form as will enable the Minister to determine whether there are any grounds for revocation of its registration under this Act.

Audit Findings:

The Charity's books and records were found to be inadequate in the following areas:

- During a previous audit of the 2004 fiscal period, the Charity was advised by the auditor that its books and records were inadequate. As a result, the Charity's president at that time, Duke Oliogu, signed a statement dated March 17, 2006, stating that he would keep the following books and records from that point on:
 - Bank statements
 - Cancelled cheques
 - Deposit books
 - Tithe cards and/or envelopes
 - Petty cash vouchers and receipts
 - Expense receipts containing full billing information
 - Any paperwork used to account for funds that come into the Charity
 - Financial statements, journals and ledgers
 - Information on charitable work being done and persons being assisted
 - Full information on "gifts in kind" received by the Charity

Despite signing this statement, at the time of the current audit of the 2005 and 2006 fiscal periods that was started on February 8, 2008, the Charity was not able to provide any of the above records to the CRA auditor. The Charity had not even opened a bank account. As a result, the auditor could not verify any of the revenue and expense amounts reported on the T3010 Registered Charity Information Returns, and was not able to determine whether the Charity had performed any charitable activities.

- The Charity did not provide the auditor with duplicate copies of official donation receipts, nor were any unused receipts provided.
- To date, CRA has obtained from other sources copies of receipts issued by the Charity that indicate large discrepancies between the actual amounts of tax receipts issued for 2006, and the amount reported as tax-receipted gifts on line 4500 of the T3010 return:

Receipts that we are aware of	\$265,179
Tax-receipted gifts reported on line 4500	<u>36,572</u>
Discrepancy	<u>\$228,607</u>

Included in the above are typed receipts amounting to \$133,080, out of which receipts totalling \$99,080 were signed by Jacob Ohizua (the balance were signed by Duke Oliogu). Mr. Ohizua has sworn that the signatures on all typed receipts were forgeries and that he did not issue these receipts. However, we have contacted two of the individuals who received these receipts, and they have stated that they paid their donations to Jacob Ohizua. It was also noted that, if we accepted Mr. Ohizua's claim that he only signed the receipts that were handwritten, those receipts that we are aware of amount to \$132,099, whereas according to the T3010 return signed by Mr. Ohizua, the Charity issued tax receipts for only \$36,572, a discrepancy of \$95,527.

- To date, we have been made aware of only 22 donation receipts that were issued by the Charity for 2006. The serial numbers of those receipts range from #77 to #793. Given the broad range of sequentially numbered receipts, there are potentially 694 additional receipts issued by the Charity.

Personal Benefits:

Legislation:

The Charity is registered as a charitable organization. In order to satisfy the definition of a "charitable organization" pursuant to subsection 149.1(1) of the ITA, "charitable organization" is defined as, "an organization.... no part of the income of which is payable to, or otherwise available for, the personal benefit of any proprietor, member, shareholder, trustee or settler thereof,".

Audit Findings:

It appears that the president of the Charity, Jacob Ohizua, received the following personal benefits:

- Mr. Ohizua issued a donation receipt to himself for \$15,000 for 2006, for which he received a tax credit upon filing his return, even though there is no evidence that he paid any money to the Charity or on its behalf.
- A review of Mr. Ohizua's personal bank account for all of 2006 and up to April 30, 2007, revealed that he deposited funds from individuals who received donation receipts from the Charity, e.g.

- May 1/06	[REDACTED]	\$2,000
- Mar. 21/07	[REDACTED]	1,500

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There were also deposits from other individuals who may have received donation receipts that we are not yet aware of, and there were a number of cash deposits (\$6,745 that we are aware of) that did not come from known sources, and may have also been received from individuals in exchange for the donation receipts issued to them.

Official Donation Receipts:

Legislation:

The law provides various requirements with respect to the issuing of official donation receipts by registered charities. These requirements are contained in Regulations 3500 and 3501 of the Act and are described in some detail in Interpretation Bulletin IT-110R3 *Gifts and Official Donation Receipts*.

Audit Findings:

The audit revealed that the donation receipts issued by the Charity do not comply with the requirements of Regulation 3501 of the Act and IT-110R3 as follows:

- No donation receipts were provided to the auditor. Each receipt must be prepared at least in duplicate and the Charity is required to keep on file a copy of every official receipt issued with the signature of the authorized person.
- The auditor was told that the Charity's donation receipts were not available because they had been stolen during two break-ins, but CRA had not been notified. Paragraph 18 of IT-110R3 states that charities are expected to guard against the unauthorized use of official receipts. The charity must control the use of its receipts and, in the event of lost or stolen receipts, should notify CRA.
- The Charity's name as recorded with CRA was incorrectly shown on its donation receipts. The name registered with CRA is *Mission Against Poverty Shelter*, but the name shown on the donation receipts was *Missions Against Poverty Shelter*.

Information Return (Form T3010):

Legislation:

Pursuant to subsection 149.1(14) of the Act, every registered charity must, within six months from the end of the charity's fiscal period (taxation year), without notice or demand, file a Registered Charity Information Return with the applicable schedules. It is the responsibility of the Charity to ensure that the information that is provided in its Return, schedules and statements, is factual and complete in every respect. A charity is not meeting its requirement to file an Information Return if it fails to exercise due care with respect to ensuring the accuracy thereof.

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Audit Findings:

The Charity improperly completed the Information Returns as follows:

- As noted above, there is a large discrepancy (\$228,607) between the amount reported as tax-receipted gifts (line 4500) on the 2006 Return and the total amount of the tax receipts issued that we are aware of. As hundreds of additional tax receipts may have been issued that we are not yet aware of, it is likely that the actual discrepancy is far greater.

The Charity's Options:**a) No Response**

You may choose not to respond. In that case, the Director General of the Charities Directorate may issue a Notice of Intention to Revoke the registration of the Charity in the manner described in subsection 168(1) of the ITA.

b) Response

Should you choose to respond, please provide your written representations and any additional information regarding the findings outlined above **within 30 days** from the date of this letter. After considering the representations submitted by the Charity, the Director General of the Charities Directorate will decide on the appropriate course of action, which may include:

- no compliance action necessary;
- the issuance of an educational letter;
- resolving these issues through the implementation of a Compliance Agreement; or
- the issuance of a Notice of Intention to Revoke the registration of the Charity in the manner described in subsection 168(1) of the ITA.

If you appoint a third party to represent you in this matter, please send us a written authorization naming the individual and explicitly authorizing that individual to discuss your file with us.

If you have any questions or require further information or clarification, please do not hesitate to contact the undersigned at the numbers indicated below.

10^c

Yours truly,



Henry Brunsveld
Audit Division
Kitchener/Waterloo Tax Services Office

Telephone: (519) 896-5933
Facsimile: (519) 585-2803
Address: 166 Frederick Street
Kitchener, ON N2G 4N1

Internet: www.cra-arc.gc.ca/tax/charities/menu-e.html

Enclosure – Interpretation Bulletin IT-110R3

cc: Jacob Ohizua, Director



Duke Oliogu, Director



Roseline Ironbar, Director



(110)

Mission Against Poverty Shelter**Comments on Representations of October 16, 2008**

Mission Against Poverty Shelter (the Charity) was previously audited by the Canada Revenue Agency (CRA) for the fiscal year ending December 31, 2004; the Charity's first year of operation. While this audit identified specific areas of non-compliance with the *Income Tax Act* (the Act) and its Regulations, the CRA agreed to give the Charity an opportunity to become compliant with the requirements of the Act thereby maintaining its charitable registration.¹ The auditor advised the Charity that immediate corrective action was necessary to ensure that adequate books and records would be maintained, and could thereby be provided to a CRA auditor, to confirm the Charity's operations. The Charity's president at that time, Mr. Duke Oliogu, signed an Undertaking indicating that books and records, including bank statements, cancelled checks, deposit books, tithe cards and/or envelopes, financial statements, journals and ledgers, information on charitable activities and full information on gifts in kind, would be kept from that point on.

Our audit of fiscal periods ending December 31, 2005 and 2006 was conducted to ensure the Charity had implemented the required corrective measures outlined in its Undertaking. Our current audit has revealed that, despite signing an Undertaking pledging to correct the deficiencies, the Charity has failed to comply with any of the terms set out in the Undertaking. In fact, the current audit has revealed additional issues of serious non-compliance. These issues are addressed below.

Books and Records

Paragraph 230(2)(a) of the Act requires every registered charity to keep records and books of account in such form as will enable the Minister to determine whether there are any grounds for revocation of its registration under the Act.

As noted above, the previous audit found that the Charity's books and records were inadequate or non-existent and despite the Charity's pledge to take immediate corrective action, the present audit has revealed that the Charity has failed to implement any of the corrective measures previously outlined.

The Charity was informed of our current audit findings via written communication dated September 18, 2008. In its response dated October 16, 2008, the Charity explained that "from January 1st 2005 onward [books and records] were kept in compliance with the recommendation of the Audit exercise for 2004 fiscal year". The Charity claims the books and records it is referring to were unavailable for inspection by CRA during the current audit as a result of two separate break-ins whereby the records, in their entirety, were stolen. The first break-in allegedly occurred at the Charity's previous location at 49 Milford Drive, Toronto in October 2006. A subsequent break-in allegedly occurred at the Charity's present location, 354 Rexdale Blvd, Etobicoke in August 2007.

¹ Area's of non-compliance identified in audit of FPE 2004: Failure to issue official donation receipts in accordance with the Act and its Regulations; and Failure to maintain and failure to provide adequate records

While the Charity has provided a police report as evidence of the October 2006 burglary, our review of the report does not sufficiently substantiate the Charity's claim. Numerous organizations operate at 49 Milford Drive, and while the report does describe missing items particular to some of the organizations operating from this location, it does not identify the Charity as the victim of the crime. The report also does not include any of the Charity's belongings on the list of missing items or otherwise specify the name of the Charity anywhere in the report. No documentary evidence was provided to support the occurrence of the second burglary. Without sufficient documentation to corroborate the alleged thefts, there is no credible evidence to substantiate the Charity's claims that its records were stolen, in their entirety, on two separate occasions from two different locations.

A charity must show through documented evidence and proper books and records that it undertook charitable activities in furtherance of its charitable purposes and must demonstrate that it operated in compliance with the Act at all times. In the absence of records, the CRA is unable to confirm whether the Charity is conducting any activities and if those activities are being conducted to further the Charity's registered objects. The Charity was registered "to relieve poverty by providing food, clothing, and shelter by establishing a food bank and operating and maintaining shelters" effective August 6, 2004. To date, we have been unable to verify that the Charity has undertaken any activities in furtherance of its charitable objects despite the issuance of official donation receipts for its "mission work, clothing fund, shelter fund, building fund and food bank". We have also been unable to locate any information to suggest the Charity has established, operated or maintained a shelter/food bank. Your representations state that records to support gifts received and disbursed "to different events/programs" were maintained yet fail to specify what these "events/programs" are.

Furthermore, as of the date that the present audit commenced (February 8, 2008), the Charity had yet to open a bank account despite inferences made throughout the audit that a bank account was maintained. Therefore, we do not accept the Charity's representation that it maintained complete records including bank statements, cancelled cheques and deposit books before the two thefts, because such records could not have existed given that the Charity did not have a bank account. The Charity was also unable to provide any information, documentary or otherwise, to support the income and expenditures reported on its Registered Charity Information Return (T3010) or financial statements. As per below, CRA has legitimate evidence that the Charity has received cash donations in excess of the amounts reported on the T3010 yet the Charity was unable to provide any explanation for the amounts received or how the amounts were allegedly used in its operations.

Pursuant to paragraph 168(1)(e) of the Act, the Minister may, by registered mail, give notice to the Charity that the Minister proposes to revoke its registration because it fails to comply with or contravenes the requirements of section 230 of the Act pertaining to books and records. For this reason, the CRA has grounds to revoke the registered status of Mission Against Poverty Shelter under 168(1)(e) of the Act.

Personal Benefits

Paragraph 149.1(1)(b) of the Act precludes a charitable organization from making any of its income payable to, or otherwise available for, the personal benefit of any proprietor, member, shareholder, trustee, or settler thereof.

The CRA's records indicate that in 2006, Mr. Jacob Ohizua, a director of the Charity, issued a \$15,000 charitable donation receipt to himself on behalf of the Charity. Mr. Ohizua insisted he was entitled to the donation receipt because he made cash and in-kind donations to the Charity when it was struggling to pay its expenses. Despite assurances made during the audit that documentation to support Mr. Ohizua's statements would be provided, no such evidence has been supplied.

Moreover, as will be described in further detail below, the CRA is aware that in 2006 the receipts allegedly issued by the Charity total \$265,179, and quite likely much more than that. While the Charity reported expenses of only \$35,484, which could not be verified due to the absence of books and records, the Charity would have had a surplus of \$229,695. This contradicts Mr. Ohizua's claims that the Charity could not meet its expenses, necessitating his personal donation of \$15,000.

For these reasons, we cannot conclude that Mr. Ohizua was entitled to receive the said donation receipt from the Charity, or the corresponding tax credit. Instead, it is our view that this receipt was issued to confer an undue personal benefit to Mr. Ohizua, which represents a serious breach of the Charity's tax receipting privileges.

Under subsection 149.1(2) of the Act, the Minister may revoke the registration of the registered charity in the manner as described at paragraph 168(1)(b) because the registered charity has failed to comply with the requirements of the Act for its registration as such; and at paragraph 168(1)(d) because the registered charity has issued a receipt for a gift or donation otherwise than in accordance with the Act and the Regulations or that contains false information. For these reasons, the CRA has grounds to revoke the charitable status of Mission Against Poverty Shelter under paragraphs 168(1)(b) and (e) of the Act.

Official Donation Receipts

The requirements relating to the issuance of official donation receipts by registered charities are described in Regulations 3500 and 3501 of the Act, as well as Interpretation Bulletin IT-100R3. Our audit findings indicate the Charity did not issue donation receipts in compliance with the prescribed requirements.

The Charity has stated that total tax-receipted gifts of \$36,572, as reported on line 4500 of the 2006 T3010 Information Return, are consistent with its official records. The Charity further stated that any other donation receipts issued beyond this value were forgeries and were not issued by the Charity. It is unclear how the Charity is in a position to confirm that the reported amount corresponds to its official records, if it does not have any such records. The Charity has admitted that it has never had consistent records therefore we find it contradictory that the Charity could provide assurance it only issued tax-receipts totaling \$36,572 when CRA has found that the Charity has issued receipts far in excess of this amount. In any event, due to the absence of records and duplicate donation receipts, the CRA could not reconcile the figure reported by the Charity to any combination of donation receipts obtained from third party sources.

Notwithstanding the above, the CRA has obtained, from third party sources, copies of official donation receipts issued by the Charity. These receipts indicate large discrepancies between the actual amount of official donation receipts issued for 2006 and total tax-receipted gifts

- reported by the Charity on line 4500 of the T3010 Information Return for that year. Our auditor has independently obtained 22 official donation receipts totalling \$265,179 issued in 2006, which were apparently issued by the Charity in 2006. This represents a discrepancy of \$228,607 in tax-receipted donations received and unreported by the Charity. The numerical sequence on these 22 official donation receipts ranges from #77 to #793, leaving 694 additional receipts seemingly unaccounted for, and suggesting that the actual value of unreported tax-receipted donations is likely drastically higher than we have so far deciphered.

Included among the official donation receipts obtained by the CRA were typewritten official donation receipts amounting to \$133,080. The Charity contends that the typewritten receipts were forgeries not issued by the Charity because it only issued handwritten receipts with a different "serial numbering convention". *Per* our previous letter, two of the recipients of the typewritten receipts were contacted by the CRA, and have confirmed that they paid their donations to Mr. Ohizua. Accordingly, we do not accept the Charity's explanation the typewritten donation receipts were not issued by it. Yet, were we to accept this explanation, the CRA has obtained handwritten receipts issued by the Charity totalling \$132,099², which demonstrates that the figure reported by the Charity was considerably lower than the value of the tax receipts it admittedly issued.

Furthermore, in accordance with paragraph 230(2)(b) of the Act, each receipt must be prepared at least in duplicate, and charities are required to keep on file a copy of every official receipt issued with the signature of the authorized person. As indicated above, no donation receipts were provided to the auditor as they were allegedly stolen. Paragraph 18 of Interpretation Bulletin IT-110R3 states that charities are expected to guard against the unauthorized use of official receipts. Charities must control the use of their receipts and, in the event of lost or stolen receipts, should notify the CRA. The Charity did not notify the CRA, as expected, regarding the alleged theft of its receipts on either occasion until contacted by CRA to commence the audit.

In this regard, we also note that the Charity has supplied evidence to the CRA which contradicts its claims of alleged theft. On October 19, 2007, the Toronto West Tax Services Office requested verification of donation receipt #548, which was purportedly issued by the Charity. In response, the Charity argued that receipt #548 was a forgery, and supplied a copy of another donation receipt (#00369) to illustrate that its receipts are different from the one it was asked to validate. The fact that the Charity was able to provide a copy of a donation receipt subsequent to the alleged break-in in August 2007 contradicts its claims that all of its records, including copies of receipts, were stolen.

Under subsection 149.1(2) of the Act, the Minister may revoke the registration of the registered charity in the manner described at paragraph 168(1)(e) of the Act because the registered charity has failed to comply with or contravenes paragraph 230(2)(b) of the Act, which requires that it keep duplicate receipts containing prescribed information for donations received by it. For this reason, the CRA has grounds for the revocation of Mission Against Poverty Shelter under paragraph 168(1)(e) of the Act.

² Total official donation receipts obtained by CRA - \$265,179 less total handwritten receipts Charity claims are forgeries - \$133,080 equals \$132,099 in unexplained receipts allegedly issued by the Charity.