

Successful Tax Evasion Trial Result

Date: July 01, 2011

Blaney McMurtry partner Ralph Cuervo-Lorens had a recent successful trial result in a case involving charges of tax evasion.

Ralph represented a company and its president and director who had been charged with 42 offences under the Retail Sales Tax Act of failing to report sales tax, failing to remit sales tax and tax evasion (a criminal offence for which the penalty for an individual includes imprisonment) over the period late 2006 to mid 2009. If convicted on all charges, the client faced aggregated fines in the range of \$600,000 in addition to having a criminal record which would have prevented the client from obtaining the licence required to operate a new line of business which was in the midst of being set up when charges were laid.

At the pre-trial the Crown agreed to stay or withdraw 12 of the lesser charges. A further set of charges were withdrawn after the first defence witness gave his evidence at trial, based in part on the Court's reaction to that evidence. As a result of a challenge to the admissibility of certain Crown evidence a settlement was reached mid-trial on yet a further set of charges, with the result that only one count of tax evasion against the director remained in contention and was tried. He was acquitted. The fines imposed on the settled charges were the minimum allowed under the statute totalling under \$90,000.

Ralph is co-author of Tax Evasion, a one-volume looseleaf text published by Carswell. The text provides tax practitioners with the information necessary to properly advise their clients or employer, and to address the issues that may arise in the course of tax litigation proceedings.

PRACTICES

- Commercial Litigation
- Tax