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Secret commissions and tax evasion result in jail and \$150,000 fine

Barrie, Ontario, March 26, 2012...The Canada Revenue Agency (CRA) announced today that on March 21, 2012, Darwin Whitton, of Stayner, pleaded guilty in the Ontario Court of Justice in Barrie to one count of tax evasion and two counts of receiving secret commissions. Whitton was sentenced to six months in jail, 17 months of house

Whitton, a former employee of Honda of Canada Mfg. in Alliston, Ontario, requested money and goods from Barry Thompson in exchange for his recommendation to Honda to hire Barry R. Thompson Enterprises Ltd. to perform electrical contracting work at Honda's Alliston facility. Whitton did not report a total of \$622,797 of money and goods provided by Thompson Enterprises on his 2003 to 2008 personal income tax returns. As a result, Whitton evaded paying \$177,305 of federal income tax during those years.

Whitton informed Thompson of Honda budget limits for electrical contracts as well as the bids of other suppliers. He encouraged Thompson to submit inflated bids approaching Honda's budget limits and competitive to the bids of other suppliers. In exchange for using his influence to ensure that Thompson Ltd. was the successful bidder, Whitton received 90% of the inflated portion of these bids as a kickback.

In addition to money, Whitton requested and received a sports utility vehicle, two snowmobiles, tractor and accessories, a travel trailer, swimming pool plus related accessories, two all terrain vehicles and trailer, a large screen television, kitchen renovations and fencing.

The preceding information was obtained from the court records.

"Paying taxes is the law," said Darrell Mahoney, Assistant Commissioner, Ontario Region, CRA. "The vast majority of Canadians accept their tax obligations. In fairness to those law-abiding citizens, the CRA will continue to conduct audit, prosecution, and other enforcement activities on the small minority of individuals who try to evade their obligations," he added.

Individuals who have not filed returns for previous years, or who have not reported all of their income, can still voluntarily correct their tax affairs. They may not be penalized or prosecuted if they make a valid disclosure before they become aware of any compliance action being initiated by the CRA against them. These individuals may only have to pay the taxes owing, plus interest. More information on the Voluntary Disclosures Program (VDP) can be found on the CRA's website at www.cra.gc.ca/voluntarydisclosures.

Further information on convictions can be found in the Media Room on the CRA website at www.cra.gc.ca/convictions.

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