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## News release

# Tax investigation into satellite scheme nets jail time for former Sundridge man

Sudbury, Ontario, May 6, 2011... Davin Omeir, formerly of Sundridge, Ontario, pleaded guilty in the Ontario Court of Justice in Parry Sound on March 15, 2011 to two counts of income tax evasion under the *Income Tax Act* and to one count of fraud over \$5,000, one count of money laundering and one count of possession of proceeds of crime under the *Criminal Code*. On April 1, 2011, in the Ontario Court of Justice in Sudbury, Justice Glaude sentenced Omeir to one year in prison for each count of tax evasion, to be served concurrently. Mr. Omeir was also sentenced to two years in prison for each count under the *Criminal Code*, to be served concurrently. The prison sentences for the *Criminal Code* counts are consecutive to the tax evasion sentence, making the total jail sentence three years. In addition to the jail sentence, the Judge levied a fine of \$223,849, representing an amount equal to 100% of the total federal taxes sought to be evaded. The fine must be paid within three years.

Omeir, the sole shareholder and director of Cantopia.Com Inc., provided a tax preparer with financial information for his personal and corporate tax returns. The Canada Revenue Agency (CRA) investigation revealed that Omeir understated the corporation's income by \$626,331 during the taxation years 2003 to 2007 and, as a result, the corporation failed to remit \$81,423 in federal taxes. In addition, Omeir appropriated funds from the corporation and did not report these funds as income on his personal income tax returns for the years 2002 to 2007. In doing so, Omeir attempted to evade personal federal taxes of \$142,426.

Cantopia.Com Inc. was an internet-based business that sold equipment and services enabling persons to decode encrypted satellite television programming signals without paying a subscription fee. The CRA investigation revealed that the business activity used by Omeir to evade taxes also defrauded the lawful distributors of encrypted subscription programming signals in Canada and the United States. The scheme allowed Omeir to participate in money laundering activities in the amount of \$300,000. On-line merchant accounts were used to process payments for the sale of the illegal products and services and proceeds were sent to bank accounts located in Switzerland, Malta and the Turks and Caicos. As a result of the illegal scheme, Omeir was able to use some of these funds to pay for personal living and travel expenditures, the maintenance of a home in Sundridge, the rental of a home in Mississauga, and the purchase of a home in Turks and Caicos.

The preceding information was obtained from the court records.

"Canadian taxpayers must have confidence in the fairness of the tax system," said Vince Pranjivan, the Acting Assistant Commissioner of the Canada Revenue Agency for the Ontario Region. "To maintain that confidence, the CRA is determined to hold tax evaders accountable for their actions."

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 will not be penalized or prosecuted if they make a valid disclosure before they become aware of any compliance action being initiated by the Canada Revenue Agency (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](http://www.cra.gc.ca/voluntarydisclosures).

Further information on convictions can also be found in the Media Room on the CRA website at [www.cra.gc.ca/convictions](http://www.cra.gc.ca/convictions).

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