White-collar crimes in the COVID-19 pandemic

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The recent decision in *R v Scholz*, 2020 BCPC 120, serves as a reminder that white collar crimes, which are often said to "fly under the radar", are continuing to be aggressively prosecuted.

In *Scholz*, which was decided on June 18, 2020, the Court found that Michael Scholz, a wealthy executive, had submitted forged documentation to the Canada Revenue Agency in support of certain claimed GST tax credits related to the design and construction of a luxury home. The Court held that using the forged documentation, Mr. Scholz had knowingly claimed GST tax credits to which he was not entitled. As a result, Mr. Scholz was found guilty of three counts of violating the *Excise Tax Act* and two counts of violating the *Criminal Code*.

Although Mr. Scholz has yet to be sentenced, the offences of forgery and uttering a forged document carry a potential sentence of up to ten years in prison. The tax evasion offences result in fines and the Court may impose sentences of up to five years in prison.

As we emerge from the COVID-19 pandemic, individuals and entities will be looking to improve their financial positions and the CRA will be looking to recover on its significant investment in combating tax evasion. Over the coming months, we expect to see an increase in investigations and prosecutions for white-collar crimes generally, and tax evasion in particular. The example of *Scholz* underscores the serious penal repercussions for engaging in such crimes and the need to seek legal advice should one be subject to these white-collar crime investigations.

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