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Court File No: T-527-24

FEDERAL COURT OF CANADA

BETWEEN:

RICHARD - BENJAMIN BISHOP, COMMUNITY FUNCTIONALITY FACILITATION INC, and BBWGMS INC

Plaintiffs

- and -

THE KING

FEDERAL COURT COUR FÉDÉRALE	
FILED	DEPOSE
MADefendant 2024	
NICOLE HRADSKY	
TORONTO, ON	1-

Statement of Claim

Hi

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or a solicitor acting for you are required to prepare a statement of defence in Form 171B prescribed by the Federal Courts Rules, serve it on the plaintiff's solicitor or, if the plaintiff does not have a solicitor, serve it on the plaintiff, and file it, with proof of service, at a local office of this Court

WITHIN 30 DAYS after the day on which this statement of claim is served on you, if you are served in Canada or the United States; or

WITHIN 60 DAYS after the day on which this statement of claim is served on you, if you are served outside Canada and the United States.

TEN ADDITIONAL DAYS are provided for the filing and service of the statement of defence if you or a solicitor acting for you serves and files a notice of intention to respond in Form 204.1 prescribed by the Federal Courts Rules.

Copies of the Federal Courts Rules, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO DEFEND THIS PROCEEDING, judgment may be given against you in your absence and without further notice to you.

This 12 day of March, 2024 in the City of Toronto

Issued by:

**NICOLE HRADSKY  
REGISTRY OFFICER  
AGENT DU GREFFE**

(Registry Officer)  
Address of local office:

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1. The Plaintiffs jointly and severally claim:

(a) damages in the amount of thirteen million dollars for a grant previously approved by the Federal Development Corporation South (hereinafter "Fed Dev South") for the plaintiff Community Functionality Facilitation Inc, (hereinafter "CFF") and lost as a result of the delay and negligence in the supervision of the audit conducted by the Canada Revenue Agency (the "CRA");

(b) ten thousand dollars per month commencing on June 30<sup>th</sup>, 2022 for revenue lost by CFF for the administration of its disability programs measured to the date that federal funding to CFF for the development of the drone program, as hereinafter described, is restored;

(c) lost income of twenty thousand dollars per day commencing November 1<sup>st</sup>, 2022 for the income anticipated to come from the drone program pending the federal funding provided by Fed Dev South to CFF is reinstated and until the drone program is self-sustaining;

(d) lost income for the plaintiff Richard Benjamin Bishop measured from June 30<sup>th</sup>, 2022 to the date a final judgment is issued and entered and any appeal therefrom is finally determined;

(e) complete and total reimbursement for any expenses incurred the plaintiff Richard Benjamin Bishop as a result of the breach of **Accessible Canada Act** S.C. 2019. c. 10 pursuant to section 102 (1);

(f) fines payable to the plaintiff Richard Benjamin Bishop fines in the amount of fifty thousand dollars (\$50,000.00) per day for the breach of the **Accessibility for Ontarians with Disability Act** S.O. 2018 pursuant to section 37 (2) (a) and (3);

(g) fines payable to the plaintiff Richard Benjamin Bishop in the amount of one hundred thousand dollars (\$100,000.00) per day for the breach of the **Accessibility for Ontarians with Disability Act** S.O. 2018 pursuant to section 37 (2) (a) and (3);

(h) fines and penalties payable to the plaintiff Richard Benjamin Bishop in the amount of two hundred and fifty thousand dollars (\$250,000.00) for the breach of the **Accessible Canada Act** S.C. 2019. C. 10 pursuant to sections 84, section 85 (1) (2) and 86;

(i) additional fines and penalties payable to the plaintiff Richard Benjamin Bishop based on the multiplier this honorable court may wish to apply under section 102 (c) (d) and (e) of the **Accessible Canada Act** S.C. 2019. C. 10 and any interest ordered under section 102 (5);

(j) any corrective orders needed to ensure that any future CRA interactions with the disabled community will adhere to the requirements of the federal and provincial disability legislative requirements;

(k) aggravated damages in the amount of five million dollars or such further and other damages as to this court seems reasonable, for bad faith and mental anguish arising from income otherwise payable (i) the stress caused by the reduction of income otherwise payable (ii) the exploitation by CRA agent James Snow of a disable person, that being the plaintiff Richard Benjamin Bishop; (iii) for the intentional breach of a lawful direction to communicate and otherwise accommodate the plaintiff Richard Benjamin Bishop in his

required mode of communication; (iv) for the failure by CRA to supervise its auditor, James Snow (v);

(l) punitive damages in the amount of five million dollars, or such further and other damages as to this court seems reasonable, for the failure by the defendants to follow and otherwise comply with its own legislative rules and regulations, including the Taxpayers Bill of Rights;

(m) damages in an amount to be determined for breaches of the ***Human Rights Code***, R.S.O.1990, c. H.19 and the Charter of Rights and Freedoms, in the ***Constitution Act 1982***;

(n) the costs of this action on a full recover basis plus Harmonized Sales Tax and disbursements;

(o) Pre and post judgment interest pursuant to the Courts of Justice Act;

(p) such further and other relief as to this Honourable Court may seem just;

## **IDENTIFICATION OF THE PARTIES**

2. The plaintiff, Richard-Benjamin Bishop (hereinafter "Bishop"), is an individual residing in the town of Paris in the Province of Ontario. Bishop is a disabled person who, despite his disability, earned a level one certification in computer engineering as a technologist, a bachelor's degree in criminology and sociology and a master's degree in governance and legislative development with a focus on the disabled community and the development of programs for disabled Canadians.

3. Bishop is the President of Community Functionality Facilitation Inc. (hereinafter "CFF") as well as the Executive Director of Facilitation and Technology for CFF. He has held that position for the past twenty five years.

4. CFF is a federal non-profit corporation that was incorporated on November 23<sup>rd</sup>, 2003. It is a wholly owned subsidiary of BBWGMS Inc. (BBW). BBW is a holding

corporation for any properties and physical assets that CFF may own and pays for any infrastructure costs related to CFF's ongoing programs and operations. It does not now, nor did it ever, have any independent business activities. It never received any dividends from CFF or any other form of income. It does not receive any direct federal or provincial government funding.

5. BBW was incorporated on March 21<sup>st</sup>, 2007. Its corporate mission has been to be in support of projects, including those referenced in this Statement of Claim, geared towards the creation of a universal disability access system and a national disability program aimed at facilitating inclusion for disabled persons in the public and private sectors.

6. The only money BBW received is for any expenses related to property it owns or had an interest in, such as a lease, in which case it would be reimbursed by CFF. In this matter BBW was reimbursed for computers, drones and any other property related to an infra structure for the critical project that CFF was coordinating.

7. The original genesis and need to incorporate BBW came after it sought to participate in the development of advance power control technology that was of use to both industry and the disabled community. In order to satisfy the security requirements of the US defense industry participant, Lockheed Martin, CFF had to apply for what is known as a NATO Commercial And Government Entity (NCAGE) number. Following its incorporation BBW applied for and received an NCAGE number.

## **OPERATIONAL HISTORY**

8. Following the CFF's incorporation Bishop, William Shmuir and Janis Marion initiated the first of several programs. Among the early projects was the development of the Canada student loan program with Rosland Frith (Firth) from Human Resources and Social Development Canada. CFF also did a framework for the case management program and did case studies, profiles and other services for the disability community. In addition, CFF developed legislative frameworks for the **Ontario Disability Support**

**Program** (ODSP) and **Accessibility for Ontarians with Disabilities Act** S.O. 2005, c. 32 (the AODA) and the integrated service regulations 191-11 and the original customer service regulations ON 429-07.

9. On or about December 8<sup>th</sup>, 2016 Industry Canada advised CFF that it had amended the CFF Articles of Incorporation and Directives. The net effect of the federal changes was that CFF was allowed to do cost recovery. Prior to the federal changes CFF would get a stipend to cover the costs for three people. After the amendment CFF was able to recover the costs through inter-governmental agency billing. In addition, because of the changes made by the federal government CFF was permitted to make an application for strategic partnership funding with the **Federal Opportunities Fund** which, prior to the changes, there was no pathway to do.

10. The application for a strategic partnership with the Federal Opportunities Fund was approved and the partnership was funded. Regrettably the approval and the funding came on the same day as the COVID 19 Pandemic was starting and the government of Canada was shutting down.

11. One of the reasons why Bishop was approved as a strategic partner was that he had played a pivotal role in developing government policy and legislation, program administration and technological advances for Canada's disabled community. By way of example, in his capacity as the Executive Director of Facilitation and Technology Bishop, in partnership with Intel, Apple, Microsoft and Toshiba, oversaw the repurposing of tablet computers for use as quick turnaround universal accessibility device for the disabled.

12. In regard to government policy and legislation, Bishop assisted in the development of the framework for the new disability tax credit in 2007, together with the late Honorable James Flaherty, and that is now reflected in the AODA.

13. Bishop advised on developing financial solutions to advance the participation of persons with disabilities in their educational pursuits and to assist them in achieving financial stability. Bishop was an advisor in the development of the Registered Disability

Savings Plan. He also worked with Frith, the Director General for the Employment Social Development Canada Learning Division, to rewrite the student loan and grant program and created the disability benefit to forgive student loans for students who had to suspend studies while preserving access to student grants if they returned to studies, referred to as the Personal Disability Benefit.

14. On the federal level Bishop also assisted Employment Social Development Canada in the creation of the ***National Disabilities Act***, now known as the ***Accessible Canada Act*** (the "ACA") which received royal assent on January 1<sup>st</sup>, 2021.

### **FACTS LEADING TO THE AUDIT**

15. On or about February 17<sup>th</sup>, 2019 Bishop, Dr. Lan Le, Dr. Jamie Le (hereinafter "Le") Stefan Juzkiw, the principal of Juzkiw Law Professional Corporation ("Juzkiw"), did a proposal for a disability, case management and outreach program ("Pilot One"). Funding was applied for and received through Employment Social Development Canada. The concept was to create an assessment center and case management center to fill a service gap for the disabled and combine private and government disability programs and benefits to eliminate duplication, competition and streamline the application process into one service.

16. To facilitate the required Pilot One funding arrangements were made through a newly formed partnership between CFF and the federal government. All of the ongoing federal funds were provided through the Federal Community Partnership Program, the Covid Emergency Relief Benefit ("CERB") and the Opportunities Fund. Provincial payments were facilitated through pre-existing program channels, such as OHIP, the Catastrophic Injury Fund ("CIF") and the Ministry of Community and Social Services funding programs.

17. As part the program modelling in 2019 CFF facilitated, on behalf of the federal government, a case management system that would encompass the following diverse federal and provincial programs that provided disability services in areas such as: the Workplace Safety and Insurance Board ("WSIB"), statutory accident benefit programs

("Sabs") and ODSP by doing the medical applications and Canadian pension disabilities applications and the Canada pension post-retirement disability benefit. Following the COVID 19 epidemic CFF was charged with assisting the Federal government to develop an all-encompassing relief program to deal with the extreme volume of pandemic claimants, referred to as the Canadian Emergency Assistance Fund, also known as ("CERB").

18. The funding for Pilot One was approved on or about March 11<sup>th</sup>, 2020 at or around 4:30 pm. This was the last day before the government imposed lockdown of all federal government services, departments and the imposition of a mandate that required all non-essential government workers to work remotely. The exception to this requirement was essential front line services, such as doctors, nurses, paramedics, fire fighters, police and deemed essential services, such as CFF. Since there was no one left to staff the government offices the approval the Pilot One approval was oral. The person who provided the oral approval was Sunny Dalewin out of ESDC Ottawa.

19. The second pilot (Pilot Two) program that came during COVID 19 epidemic was a grant divided into two parts: The first part of Pilot Two was to develop and certify an autonomous (unmanned) drone corridor system for traffic control to prevent incursion incidents between commercial aircraft and industrial drones. This was a significant consideration because the drones being used were industrial sized drones that could hold two people and could carry a cargo of four hundred pounds with a range of 120 kilometers. This project was intended to assist the disabled by allowing for the cost efficient and urgent time saving delivery of emergency products and services. Once the traffic corridors were established it would allow for expedited delivery of organs, tissue, blood products and, possibly, medical staff.

20. The second part of the second grant was to develop digital power control technology. This technology is intended to optimize efficiency of power systems and chargers by being able to create an optimal charging environment by controlling the voltage frequency and current digitally.



21. To facilitate funding for the two projects making up Pilot Two there was a grant application was made by CFF to the Federal Development Corporation South (hereinafter "Feddev"). Within the Feddev program there are individual programs that were available to consider a grant application of the kind being applied for by CFF. These programs were the Community Diversity Program and the Green Energy Scale Up Program. Both of these programs fell under the Renewable Energy Resource Development Program ("RERDP"). An application for a grant was made for both programs under the RERDP, those being the unmanned drone program and the power control technology program. A grant of thirteen million dollars was approved on or about December 21<sup>st</sup>, 2021 but subject to having a prototype of the power technology working within two years and one drone delivered and flying within one year.

22. Following the election in April of 2022 an interim budget for The Green Energy Scale Up Program that was prepared on or about December 21<sup>st</sup>, 2021 was renewed and funding for Pilot Two was available but back dated to March 15<sup>th</sup>, 2022.

23. As a consequence of the approval provided for Pilot Two back on December 21<sup>st</sup>, 2021 an audit (the "December Audit") was required to verify pending purchases and current acquisitions for the disbursement of the grant. One of the rationales for the December Audit was to ensure there was a separation of the two programs making up Pilot Two and no comingling of assets between the two programs as well as establishing the invoicing and reporting protocols for the two programs to CRA for the timely and efficient reporting of HST rebates.

24. The December Audit was performed by Loida Andras ("Andras"), an auditor with the CRA. Andras's audit was to verify the program cost and expected HST amounts. The December Audit conducted by Andras did not show any issues of concern. As a consequence, the December rebates for one part of Pilot Two and funding for the six month term of Pilot One were approved and disbursed to CFF. The total of the rebates and funding disbursed was eight hundred and eight three thousand six hundred and seventy one dollars and forty four cents (\$883,671.44) (the "December Rebates and

Funding"). To assist CFF in getting the December Rebates and Funding CCF's and BBW's online tax accounts were made operational by CRA.

25. Following receipt of the December Rebates and Funding the funds were deployed towards (i) preprogram development; (ii) two vehicles and other required equipment; (iii) computers (iv) salaries for two engineers employed by CFF; (v) operating expenses (vi) the rebate portions claimed for the Pilot One costs claimed by the other participants.

26. On or about March 15<sup>th</sup> 2022 the December Rebates and Funding were received by CFF. Unknown to the Plaintiff was that Feddev had swapped the Community Diversity Program and the Green Energy Scale Up Program applications and that this swap would result in a second audit being required. Because both programs were identical in their HST disbursal amounts, and because the contractual milestone obligations were the same, CFF was not anticipating, nor was it informed of the existence of, nor the requirement of, a second audit.

27. In May of 2022 CFF was informed of the program switch made by Feddev. However, because the program structuring, obligations and timelines were identical, and because were part of the RERDP program, there was still no expectation that another audit would be necessary.

28. On June 30<sup>th</sup>, 2022, as was the usual course of business, CFF submitted its rebate claims based upon the proforma amount of the drone program and the operational expenses of the social service pilot.

## **THE AUDIT**

29. In August 2022 there had been no advancement in processing the HST rebates and the grant for the drone project. Bishop made contact with Jessica Henri (hereinafter "Henri") who is the case manager for the Minister of National Revenue and the Minister of National Revenue, Diane Lebouthillier. When asked by Bishop about why the rebates and grant were not being processed Henri could not provide an answer nor was she

aware of any additional audit requirement. However, Henri undertook to the Plaintiff that she would look into it and have someone from CRA make contact with the Plaintiff.

28. Following the call with Henri on or about August 23<sup>rd</sup>, 2022 CFF received a telephone call from James Snow ("Snow") who identified himself as an auditor with the CRA out of the Newfoundland Tax Services Office. On or about September 23<sup>rd</sup>, 2022 CFF received correspondence from Snow confirming an audit and requesting some information.

29. In order to progress through audit quickly and efficiently Bishop maintained regular telephone contact with Henri. The plaintiff pleads that the reason for maintaining contact with Henri was because Snow would not respond to inquiries made by Bishop.

30. Notwithstanding the plaintiff's regular efforts to communicate throughout September there was no information or other updates available on the progress of the audit. The typical course of action was that a reviewer (a review agent) or assessor (an auditor) would contact and/or send correspondence to inform CFF of any audit or review being undertaken. This step never took place.

31. What was particularly odd was that the Plaintiff subsequently learned that the examination of the file and application for the rebates associated with the grant had been approved by CRA. The Plaintiff states that it subsequently learned that following the approval, the HST rebates were placed into the CRA dispersal account for the benefit of CFF. However, no dispersal ever took place, and the funds were held in the CRA account without further advice and no subsequent reason for the funds being held was ever given.

32. Once the HST rebates were put in the CRA dispersal account the plaintiff relied, to its detriment, on the funds being dispersed. The plaintiff's reason for this detrimental reliance was because the deposit of the funds into the dispersal account constituted a reasonable expectation of service by the plaintiff due to the regulatory procedures of the dispersal account including, but not limited to, the funding not being withdrawn from the dispersal account or held in the dispersal account without being dispersed except on the order of a deputy commissioner or the commissioner.

33. On or about October 15<sup>th</sup>, 2022 at around 2:20 pm Snow called Bishop to discuss the fact that CFF's account had been transferred to audit and that he was the auditor. This was an unusual practice based on Bishop's past experiences with cross disability services and processing claims for disability support deductions. The oddity was further exacerbated by the fact that each province has its own Excise Tax regulations, which in part explains why the previous CRA audit was conducted by Andros who was a senior auditor at the Mississauga Office of CRA in the Excise Tax Division.

34. Snow's appointment as the auditor was unusual for another reason. Prior doing an audit the CRA reviewer is supposed to tell the audited party about the review and why an audit is necessary. Following this step, the CRA reviewer will typically ask for information relevant to the file and then request all of the banking and invoicing information. It is only after these preliminary steps are taken that an audit typically takes place. The Plaintiff states that none of these steps took place with his participation nor the participation of anyone who worked with or for him.

35. The plaintiff states although none of the required steps took place he was told by Snow during his initial conversation in September 2022 that the audit had passed the review. When asked why, if the review was passed, an audit was necessary Snow was unable or unwilling to provide any information about the origin or reason for the audit.

36. What made the audit timing even odder was that at the time Andras conducted the December Audit she commented in writing that her audit was not a complete audit and that a future audit would be conducted at the conclusion of the Drone project program by which time the payment of the Excise Tax would be apparent from the post program ledgers.

37. In addition, in the call of October 15<sup>th</sup>, 2022 Snow requested the HST ledgers for BBW and CFF. From October 15<sup>th</sup>, 2022 to October 21<sup>st</sup> all of the documents Snow requested were electronically transferred to Snow. To the plaintiff's surprise, and despite being asked to confirm receipt, Snow never confirmed that he had received all of the documents he had requested. In fact, there has been a consistent problem with the

orderly and proper handling of documents that had resulted in Andras assisting CCF and BBW's in getting their online tax accounts operational.

38. On or about October 25<sup>th</sup>, 2022 the Plaintiff wrote to Henri to request verbal confirmation of the receipt of the requested documents. The verbal accommodation was requested since the plaintiff's learning disability is a nonverbal learning disability and as such the request for verbal communication was consistent with his right of accommodation under the ACA and the current version of the Taxpayers Bill of Rights.

39. In addition, Bishop further informed Henri that the infrastructure funding for the case management pilot program had been cancelled. The impact from the loss of funding to CFF from the federal infrastructure program was significant. Since funding for infrastructure costs was no longer available funding for the BBW car leases and rents for other program participants, like Le, were being withheld.

40. The loss of the federal infrastructure funding impacted the CFF operation because the money had to be made up for tangible expenses from the wage and program expense side of the program funding. The loss of funding meant that two staff members who dealt with field cases had to be laid off which in turn lead to critical care disabled clients losing their housing, their benefits and, in the worst case scenarios, their lives.

41. On October 25<sup>th</sup>, 2022 Snow made telephone contact with the Plaintiff and stated that additional information was required. He indicated he wanted to expand the audit to include BBW and requested information related to its bank accounts and ledgers. All information requested was uploaded to the CRA account number assigned for the audit.

42. On or about December 8<sup>th</sup>, 2022 Bishop got a call from Snow and his supervisor who told the plaintiff that Snow had everything he needed to conduct and conclude the audit. Snow informed the Plaintiff that it would take approximately another three weeks, at the earliest, for the audit to be concluded. Oddly, after confirming everything required for the audit was in place, the CRA specifically informed the plaintiff that it reserved the right to ask for more information.

43. The plaintiff states based on his discussions with CRA and Snow that he refrained from any contact with Snow or the CRA until January 15<sup>th</sup>, 2023. After January 15<sup>th</sup> the plaintiff made a number of efforts to reach Snow through telephone and correspondence which the plaintiff faxed to Snow's attention. As time went by without any return calls or replies to the faxes the Plaintiff became gravely concerned that since there was an operational time limit for the grants applied for and approved, that being the one year requirement as specified in paragraph 21, would pass by and the thirteen million dollar grant would be lost.

44. Likewise, the funding for the Pilot One infrastructure program as per the ESDC agreement had been suspended since the start of the audit resulting in a huge deficit for the social service program. This deficit has continued to grow and at the time of this Claim is now entering its twenty second month. The concerns expressed in paragraph 42 were communicated to Henri on or about January 25<sup>th</sup>, 2023.

45. On February 3<sup>rd</sup>, 2023 the plaintiff received a letter from the CRA deputy commission, Katherine Hawlera ("Hawlera"), inviting the plaintiff to contact Snow and informing him that she had instructed Snow to respond in a timely manner to the plaintiff's communications. On or about February 5<sup>th</sup>, 2023 Bishop left a message for Snow requesting an update and, to avoid any confusion about the need to communicate, told Snow he was calling at the request of the deputy commissioner.

46. Instead of complying with the direction provide by Hawlera and communicating with Bishop on or about February 7<sup>th</sup>, 2023 Constable Cotter of the Paris detachment of the Ontario Provincial Police came to the Bishop's home to speak with Bishop about not contacting the CRA. Bishop was not at home at the time Officer Cotter attended at his home. Cotter informed Bishop's father, who was at the plaintiff's home at the time of the incident, that the OPP had been contacted by Officer Steve Brown (Badge Number 508) of the Royal Newfoundland Constabulary with a complaint.

47. The plaintiff has attempted to locate Officer Brown. The plaintiff has been able to determine that the only Officer Brown, Bage Number 508, with the Royal Newfoundland Constabulary was Captain Brown who passes away in 2008.

48. At the time officer Cotter attended Bishop's home they were able to speak on the phone. During the conversation Officer Cotter informed Bishop there was an allegation he had threatened to take a baseball bat to a bank and was harassing the CRA. When asked about the source of the information Officer Cotter told Bishop the complaint had been generated by Snow.

49. The plaintiff states, and the fact is, the allegation that Bishop was threatening anyone or was otherwise harassing the CRA is entirely without foundation. Both Hawlera and Henri were informed and were given the OPP report number.

50. On or about February 29<sup>th</sup>, 2023 the plaintiff was contacted by Snow who told him he had a proposal for what Snow had determined was outstanding HST for both BBW and CFF. Although there is no legal means to do so, and no procedure in place, Snow indicated that the plaintiff had to respond to the "proposal" failing which Snowe would seek to apply penalties to both companies.

51. The plaintiff states he was completely baffled by the February 29<sup>th</sup> letter. The plaintiff had taken care to provide clear and comprehensive information related to the audit to Snow. He had also used all diligence to ensure that all information was delivered to Snow in a timely manner.

### **CIRCUMSTANCES LEADING TO THE CLAIM**

52. On or about March 1<sup>st</sup>, 2023 the plaintiff sent a letter to Hawlera and Henri advising them that CFF and BBW would have to pursue litigation if the errant finding of outstanding HST could not be resolved at the administrative level. No reply was ever received.

53. On or about March 5<sup>th</sup>, 2023 Bishop and CFF sent correspondence to the Attorney General of Canada (the "AG") advising it of pending litigation and requesting permission to commence litigation. The AG never objected to these proceedings being commenced.

54. On or about March 8<sup>th</sup>, 2023 CFF and BBW received the proposal referenced in paragraph 49 wherein the CRA demanded payment of allegedly outstanding HST and assessing penalties in excess of three million dollars. In the absence of any procedure to reply to a "proposal" the plaintiff severed the CRA with a Notice of Objection at the end of March 2023.

55. Following service of Notice of Objection on or about March 18<sup>th</sup>, 2023 CFF and BBW received a formal Notice of Assessment consistent with the amount set out in the proposal, that is to say a demand for payment in excess of three million dollars for both CFF and BBW.

56. On or about November 24<sup>th</sup>, 2023 Bishop received a telephone call from Phoenix Hui Zang (Zang) wherein he was advised that the details of audit performed on the drone part of the project had been lost. Another copy of the file was requested. This request was impossible to meet because the disclosure of information required the written permission of E Hang Holdings Hong Kong ("E Hang"), the drone manufacturer and it refused to provide it.

57. The plaintiff states that there is no explanation for the loss of the E Hang file other than that the CRA was grossly negligent in misplacing the file and in meeting the required standard for the protection of proper paper handling practices. The gross negligence in losing the file constituted a breach of confidentiality due to the proprietary nature of its contents and compromised the objection process in undoing what can only be described as a grossly inept audit and assessment.

58. On or about January 26<sup>th</sup>, 2024 the plaintiff received from Zang what is best described as ill-advised effort to rationalize the results from the grossly inept audit and assessment. Among the ill advised statements made by Zang were the following:



(a) that the bank statements provided did not show the inflow of funds from any government funding;

(b) that the plaintiff was unable to provide copies of the funding agreements indicating that the funding was received or receivable; and

(c) third party confirmation with funding agencies that there were no funding agreements in place.

59. With respect to paragraph 57(a), it is either a gross misstatement of the plaintiff's interactions with Snow or a reflection of the fact that CRA never had a clear understanding of what the bank statements reflected in the first place. During the plaintiff's interactions with Snow, he was told by Snow that he, Snow, could not differentiate where in government the funds came from. At no point did Snow say there were no funds being received from the government. The divergence of the facts cannot be explained.

60. With respect to government funding being, or not being, in place since the Drone file has been lost through the negligence of the CRA there would be no way of determining the source of the government payments. Moreover, as a consequence of the pandemic electronic payments that were established pre pandemic were able to continue through the pandemic. However, the government was unable to register CFF for electronic payments until June of 2022 and the payment received from the government prior to that date, and are relevant to the audit conducted by Snow, were done via a paper cheque which did not show the source of government funding. i.e. what department it came from.

61. The statement the plaintiff was unable to provide copies of the funding agreements is true. However, Federal Opportunities Fund had the responsibility to provide that confirmation and were either unwilling or unable to do so because of the COVID 19 pandemic and subsequent government shutdown. Moreover, Snow and the CRA appeals officer did receive copies of the notice of cancellation for the audited programs which would have never been issued in the first place had the program not been approved.

62. The final rationale, that being "third party confirmation" with funding agencies that there were no funding agreements in place, is deceptive. The plaintiff states that in light of the written cancellation of the funding, the CRA allegedly seeking to confirm the funding through a third party was not something a third party should be expected to confirm when the plaintiff itself did not receive confirmation in the first place and a third party would have never received written cancellation.

63. At no time did the CRA follow the required procedure to maintain the confidentiality of the plaintiff's documents, nor did it institute proper information handling practices in order to ensure consistent application of the regulations and policies governing the operational requirements of a CRA audit. All of the required regulations and statutes related to the rights of disabled persons such as the *Income Tax Act*, the *Excise Tax Act*, *Accessible Canada Act* and the *Accessibility for Ontarians with Disability Act* were persistently ignored constitute the operational parameters that the plaintiff must operate under when doing an audit of a disabled person and all of these were persistently ignored.

64. Not only are the findings of the CRA indictive of complete failure to know how an audit of non-profit organization that services the disabled community should be conducted it is reflective of an audit being conducted wherein the plaintiff was intimidated, abused, misled, ignored and threatened. The CRA is not above the law and the way that they conduct any audit for any Canadian person or company is an important as any findings an audit may make.

65. The plaintiff states that the findings made by the CRA are without foundation. What is particularly egregious is the imposition of fines without any facts in support of those fines and in doing so the CRA has acted in such as fashion that is akin to it making its own judgement before any trial or presentation of any facts that could lead to such a finding.

66. The erroneous findings by the CRA have left the plaintiff with no other meaningful alternative than this litigation. The CRA's actions have irreparably damaged the trust that

existed between the plaintiff and the government. The CRA audit findings has adversely impacted the disabled community's faith that the federal government has any intentions of treating the disabled community in a manner consistent with the Charter of Rights and Freedoms, the rights enforced by the Human Rights Commission, or the rights granted through the ACA or the AODA.

67. The Plaintiff states that sending the OPP to Bishop's home was particularly intimidating and the use of false statements to rationalize an OPP investigation, and possibly charges, is an abuse of process and the power of the CRA.

68. The plaintiffs state that the actions of the CRA demonstrate a systemic failure to ensure a reasonable expectation of service as required by their own internal regulatory requirements i.e. Taxpayer Bill of Rights and the Code of Conduct that accompanies it.

69. The plaintiff proposes this matter be tried in the City of Toronto.

George B. Callahan  
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Court File No.

**Richard Benjamin Bishop  
Community Functionality Facilitation Inc.  
and BBWGMS Inc**

Plaintiff

-and-

**The King**

Defendant

**FEDERAL COURT OF CANADA**  
Proceeding commenced in  
The City of Toronto

**STATEMENT OF CLAIM**

**GEORGE B. CALLAHAN**  
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I HEREBY CERTIFY that the above document is a true copy of  
the original issued out of / filed in the Court on the \_\_\_\_\_

day of MAR 12 2024 A.D. 20\_\_\_\_

Dated this \_\_\_\_\_ day of MAR 12 2024 20\_\_\_\_

