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FOR: **CANADA CUSTOMS AND REVENUE AGENCY**

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## **Canada Customs and Revenue Agency: Former Cosmetics Company Executives Fined \$160,000 For Tax Evasion**

TORONTO, ONTARIO--The Canada Customs and Revenue Agency (CCRA), formerly Revenue Canada, announced today that Natasha Rajewski and Dominic Reale, former executives of a cosmetics company and both of Toronto, failed to report \$950,000 in management bonuses and were fined a total of \$160,000 in Ontario Court of Justice by Judge B. Knazan for evading personal income taxes. The fine represents 80% of the total federal taxes they personally attempted to evade.

Mr. Reale and Ms. Rajewski each must pay a total fine of \$80,000 as follows: \$25,000 within seven days, \$10,000 within six months, \$15,000 within a year, and \$30,000 within two years. If in default of paying the fine as outlined, Ms. Rajewski and Mr. Reale may be jailed for up to nine months.

A CCRA investigation revealed that, for the taxation years 1994 and 1995, Mr. Reale, 50% shareholder, director and president of a cosmetics and toiletries manufacturing company, failed to report management bonuses of \$475,000 from the company. He thereby evaded \$100,789 in federal income taxes. Ms. Rajewski did not report management bonuses totalling \$475,000 received from the company for the same taxation years. Ms. Rajewski, who was a 50% shareholder, director and executive of the company, thereby evaded \$100,789 in federal income taxes. In addition to the fines, Mr. Reale and Ms. Rajewski are required to pay all taxes owing, including penalties and interest assessed by the CCRA.

People who fail to report and pay their taxes owing according to the law, hurt the honest taxpayers, who as a result end up paying more than their fair share. Prosecution is used by the CCRA to deter deliberate non-compliance with tax laws and help make the system more equitable.

Individuals and corporations that have not reported all of their income or who have not filed for previous years, can still voluntarily correct their tax affairs if they make a full disclosure before the CCRA starts any action or investigation against them. They will not be penalized or prosecuted and will only have to pay the taxes owing plus the interest.

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**FOR FURTHER INFORMATION PLEASE CONTACT:**

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