

Henvey Inlet First Nation Responds to Charity Revocation

Wayne McQuabbie, Chief of Henvey Inlet First Nation, said today that his community is “pleased and relieved” that Canada Revenue Agency has revoked the charitable status of the Henvey Inlet First Nation Community Support Organization (HIFNCSO). “We think this revocation is going to help us in our lawsuit against that organization,” he added.

Chief McQuabbie indicated Canada Revenue Agency had provided the First Nation with a report on HIFNCSO’s operations last year. “Some of the information revealed in the CRA audit absolutely astounded us. The audit report alleges the charity maintained secret bank accounts, and it appears millions of dollars in so-called “donations” were funneled through those accounts and cannot be accounted for,” he said. “Our First Nation was kept in the dark about the workings of the organization, which was actually run out of Winnipeg, not here.”

Henvey Inlet First Nation has been co-operating fully with Canada Revenue Agency in its inquiry into the financial operations of the charity. “One of the first things I found when I took office in 2007,” said the Chief, “was a suspicious book of tax receipts. When I started adding those receipts up, I knew it far exceeded the small amount of funds we had seen managed by the organization.” The Chief started an internal enquiry which resulted in boxes of documents being turned over to Canada Revenue Agency. A fantastic scheme involving tax loopholes, hundreds of wealthy off-reserve tax-payers, off-shore banks and millions in receipted donations gradually came to light. “What did not come to light,” said the Chief, “was where the millions were now, or what the charity actually received and how it was spent.”

The First Nation has commenced a legal proceeding against the former trustees of the charity for an accounting for all the money it handled.

“I want to emphasize, and I am sure that First Nations people know this, this issue didn't originate in our community, and it doesn't reflect on the character of the Band or its Members. We have operated in a completely open and transparent fashion. The results of the CRA Audit and the facts about what that charity was doing have been given to our members through community meetings and Band Council Meetings, as it became available.”

The decision to launch a civil law suit against the charity’s trustees was made after extensive consideration and advice from forensic auditors, lawyers and accountants. The former Trustees of HIFNCSO have been removed. “For many of the trustees, it appears their only mistake was trusting someone’s word, that of a particular consultant” Chief McQuabbie emphasized. “I think they were being used” he added.

The Band is incorporating a new corporate entity to carry out future charitable activities in the community and will seek a new charitable registration. “Like most small First Nations, we are overwhelmed with managing poverty. We have several legitimate ventures at various stages of development to create economic self sufficiency. We want to stand on our own without charity and without Government,” Chief McQuabbie stated.

Contact information and related documents can be found at www.hifn.ca

May 12, 2010
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