

## Vivian Krause, M.Sc.

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October 26, 2022

To: Mr. Christopher Richardson, Trustee-Elect, Vancouver School Board 39 (by e-mail)

**RE: Status as an “Ineligible Individual,” Further to CRA Charity Revocation**

I am writing to provide information and to share my concerns and opinions regarding your eligibility to take the Oath of Office as Trustee-Elect for Vancouver School Board 39 (“**VS39**”).

By way of background, I reside in the greater Vancouver area and have done extensive research on the funding of various causes via the charitable sector. During this work, I came across a vast network of more than 200 charities (“**the Bromley charities**”) set up by a Vancouver lawyer, Blake Bromley. My understanding is that you are a close associate of Mr. Bromley, going back to the 1990s.

Tax returns show that you have been a director of at least 42 of the Bromley charities.<sup>1</sup> For more than a year, and particularly during the past month, I have tried repeatedly to contact you regarding your role with the Bromley charities. You have not replied.

On the basis of the information that I present ahead, I believe that you are not eligible to swear or affirm the Oath of Office as a trustee of **VS39**. This is because you have been deemed to be an “ineligible individual” by the CRA due to your role as a director of one of the Bromley charities, Theanon Charitable Foundation, that had its charitable status revoked by CRA because of serious breaches of the Income Tax Act. In fact, to the best of my knowledge, you have been a director of at least five Bromley charities that have had their charitable status revoked by CRA following an audit that found serious violations of tax law.

As I will explain ahead, I believe that your involvement with charities that flout the law is not a matter of a one-time-only, minor transgression. Instead, I see a pattern of behaviour that goes back at least 15 years. I believe that this is a very serious matter.

## 1. The School Act

Part 4, Division 1 of The School Act relates to who may hold office. Section 32(1) says that a person is qualified to be nominated, elected or appointed to hold office as a trustee if, at the relevant time, the person meets specific requirements. One of these is, "the person must not be disqualified under this Act or any other enactment from being nominated for, being elected to or holding office as a trustee, or be otherwise disqualified by law."

Letters from the CRA, attached, dated January 8, 2020 and March 2, 2021, state that you, Christopher Richardson, are deemed an "ineligible individual" by CRA and therefore disqualified from holding a position as a director or trustee at any registered charity in Canada. Given that the Vancouver School Board is a registered charity, I believe that this restriction applies. As a registered charity, VSB39 reported approximately \$2 million in tax-receipted donations last year. This is not a negligible amount of funding.

As I'll explain next, your status as an "ineligible individual" came to my attention a month ago. I came across this information in a CRA Audit Report on Headwaters Foundation ("**Headwaters**"), a charity of which you are a co-founder and have been a director for 12 years.<sup>2</sup> As of September 10, 2022, CRA has revoked the charitable status of Headwaters because the charity made "artificial gifts," and participated in pre-planned, circular transactions that gave unwarranted tax benefits to a corporation.

## 2. Timeline

Since I follow the funding of various causes via the charitable sector, I follow CRA's website throughout the year. Here's what happened that led me to notice that you have been deemed an "ineligible individual" by CRA:

- September 10, 2022: CRA revoked the charitable status of Headwaters Foundation.<sup>3</sup>
- September 15, 2022: I noticed that Headwaters had lost its charitable status and wrote to CRA to request a copy of its audit report on Headwaters Foundation and related letters.
- September 20, 2022: I received the CRA's audit report on Headwaters Foundation and from that, I learned that you have been deemed an "ineligible individual" by CRA.
- September 23, 2022: I sent you detailed notes via LinkedIn and Twitter.

Since September 24, 2022, I have repeatedly tried to contact you via your cell phone, LinkedIn and via Twitter.<sup>4</sup> In the absence of any response from you, I contacted one of your fellow candidates with ABC Vancouver. I also published a post at my blog, in which I outline a series of questions that I feel are fair to ask since you are seeking public office.<sup>a</sup>

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<sup>a</sup> Questions for Christopher Richardson, Updated October 17, 2022.  
[https://fairquestions.typepad.com/rethink\\_campaigns/2022/10/fair-questions-for-christopher-richardson.html](https://fairquestions.typepad.com/rethink_campaigns/2022/10/fair-questions-for-christopher-richardson.html)

### 3. “Ineligible Individual”

As of September 10, 2022, CRA revoked the charitable status of Headwaters Foundation (“**Headwaters**”). In a CRA letter dated March 2, 2021, CRA characterized the failings that it found as “egregious” and says that Headwaters could be subject to approximately \$10.3 million in penalties. In the CRA audit report on Headwaters, dated January 8, 2020, CRA also states as follows with regards to Christopher Richardson:

*“Under paragraph 149.1(4.1)(e) of the Act, the CRA may revoke the registration of a registered charity, if an ineligible individual is a director, trustee, officer or like official of the charity, or controls or manages the charity, directly or indirectly, in any manner whatever.*

*Relating to the preceding information to the Foundation, we have concerns with one of the Foundation’s directors. Specifically, **we are referring to Christopher Richardson**, the director of the Foundation since November 19, 2010.*

*According to our records, Mr. Richardson was previously listed among the directors and was a member of a charity named Theanon Charitable Foundation when its registration was revoked on February 10, 2018, for serious breaches of the requirements for registration under the Act.*

**At this time, we would like the Foundation to note that Mr. Richardson meets the definition of ineligible individual, as describe in paragraph(c) above.**”

The last sentence refers to paragraph (c) in Subsection 149(1) of the Act which says:

*“Ineligible individual,” at any time, means a person who has been (c) a director, trustee, officer or like official of a registered charity or a registered Canadian amateur athletic association during a period in which the charity or association engaged in conduct that can reasonably be considered to have constituted a serious breach of the requirements for registration under the Income Tax Act.”*

A year later, CRA sent a second letter to Headwaters Foundation in which CRA again referred to Mr. Richardson as an “ineligible individual.” On March 2, 2021, CRA wrote:

*“In our January 8, 2020 letter we inform the Foundation that one of its directors, Christopher Richardson, became an ineligible individual on February 10, 2018.*

*While this is outside the audit period, it is important to note that **should the Foundation not remove Mr. Richardson as a director, it could result in the Foundation’s registration being revoked under paragraph 49.1(4.1)(e) of the Act.**”*

In summary of the above, CRA sent two letters to Headwaters Foundation, in 2020 and 2021. In these letters, CRA made it clear that Christopher Richardson is an “ineligible individual.” Not only that, CRA also made it clear that Headwaters Foundation could lose its charitable status if Christopher Richardson continued to be a director of the Foundation.

#### **4. Fiduciary Duty**

Students require the highest duty of care, especially from trustees. This is why the duties of school board trustees are “fiduciary duties.” As a fiduciary, a trustee is expected to meet high standards of good faith and fair dealing. These duties include making decisions, investing property, governance and the management and protection of assets. Being a fiduciary means loyalty to the organization, putting its interests ahead of those of the directors.<sup>b</sup>

When a person is deemed “ineligible” to have fiduciary duty, as you are, this is a serious matter. Indeed, for the people copied on this letter to ignore that you have been banned from serving as a trustee of a charity would be for them to fail to fulfill their fiduciary duty.

#### **5. Resignation from 15 Bromley Charities**

Since you were deemed an “ineligible individual,” you have resigned from being a director/trustee of 15 of the Bromley charities. At these 15 charities you had been a director for approximately ten years, on average. From eight of the 15 charities, you resigned as of the same day: April 16, 2019. Here are my initial questions:

- Did you resign from these 15 charities because you knew that CRA deemed you to be an “ineligible individual,” and that by failing to resign, you would jeopardize the charitable status of the Bromley charities?
- To the best of my knowledge, you remain a director of Mighty Oaks Foundation and Benefic Foundation. Is the reason that you remain a director of these two Bromley charities because they, like Headwaters, have also been under CRA audit for years already?
- As V.P. of Finance & Administration for CHIMP, are you not in a position for which you are “ineligible”? Are you in this position anyways because CHIMP is also under CRA audit?

#### **6. Nomination for Election**

Attached is a copy of the Candidate Nomination Package that you signed, August 22, 2022. I notice that you solemnly swore, “I am qualified under section 32 of the School Act to be nominated, elected and to hold the office of Board of Education Trustee. You also solemnly swore, “I am not disqualified by the School Act or any other enactment from being nominated for, being elected to or holding office as a trustee, or otherwise disqualified by law.

On what basis did you solemnly swear that you are “not disqualified” from being a trustee of Vancouver School Board, given that you are deemed an “ineligible individual” under the Income Tax Act, and given that Vancouver School Board is a registered charity?

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<sup>b</sup> Correspondence from the CRA regarding the revocation of Theanon Foundation, January 17, 2013.

**15 Bromley Charities: Christopher Richardson Resigned Since February of 2018**

Name of the charity		Category	Address	Years		Date of Resignation
1	Charitable Impact Foundation	Public foundation	1250-1500 Georgia St	2009-2018	9	2018-05-09
2	Mount Pleasant Comm. Centre Assoc.	Charitable organization	1 Kingsway, Vancouver BC	2018-2019	1	2018-10-23
3	Almoner Foundation	Public foundation	203 - 815 Hornby St	2005-2019	14	April 3, 2019
4	Alsalam Community Development Fdn.	Charitable organization	7-10 Falconer Dr Mississauga ON	2011-2019	8	April 15, 2019
5	Abundance Institute	Charitable organization	203 - 815 Hornby St	2004-2019	15	April 16 2019
6	BPD Education Development Assoc.	Charitable organization	203 - 815 Hornby St	2015-2019	4	April 16, 2019
7	Data Foundation	Public foundation	203 - 815 Hornby St	2009-2019	10	April 16, 2019
8	Great Charity	Charitable organization	203 - 815 Hornby St	2007-2019	12	April 16, 2019
9	Revelation Foundation	Public Foundation	1250-1500 Georgia St PO Box 62	2004 - 2019	15	April 16, 2019
10	Scholar's Study Foundation	Public foundation	1250-1500 Georgia St PO Box 62	2016-2019	3	April 16, 2019
11	Stewards' Charitable Foundation	Public foundation	1250-1500 Georgia St PO Box 62	2006-2019	13	April 16, 2019
12	Urban Rural Mission Global Partners	Public foundation	203 - 815 Hornby St	2010-2019	9	April 16, 2019
13	Canadian Education Innovations Academy	Charitable organization	203 - 815 Hornby St	2006-2019	13	April 17, 2019
14	Assoc. Advancement of Scholarship	Charitable organization	1250-1500 Georgia St PO Box 62	2004-2020	16	Sept. 22, 2020
15	Virtual Vancouver Foundation	Public foundation	203 - 815 Hornby St	2008-2020	12	Nov. 5, 2020

Source: Compiled from CRA online database and tax returns provided by CRA upon request.

## **7. The Oath of Office**

My understanding is that school board trustees must swear or affirm an Oath of Office. According to The School Act, the first three words of the Oath are "I am qualified."<sup>5</sup>

Based on the information that I present in this letter, I cannot see how could honestly swear or affirm the words "I am qualified" to hold a seat as a trustee of VSB39. In fact, I believe that you are disqualified on the basis of valid reasons.

Given that you are scheduled to be sworn in as a trustee on November 7, 2022, it seems reasonable to request that you please respond to me about the concerns that I have shared in this letter by **Noon on Friday, October 28, 2022.**

The attached pages provide additional information and questions that pertain, I believe, to your eligibility to serve in a fiduciary capacity. In my opinion, this information is relevant because it shines a light on the types of transactions with which you have been involved in your capacity as Vice-President, Finance & Administration at Charitable Impact Foundation ("**CHIMP**") and with other Bromley charities.

Finally, I have stated anything in this letter that is factually incorrect or if I have missed any important points, please let me know.

Thank you for taking time to consider and reply to my concerns.

Sincerely,  
Vivian Krause

### **c.c. By e-mail:**

Ms. Sharmila Khare, Director General, Charities Directorate, CRA  
Mr. Anton Boegman, Chief Electoral Officer, Elections BC  
Ms. Helen McGregor, Superintendent of Schools, VSB39  
Mr. David Green, Secretary & Treasurer, VSB39  
Honourable Jennifer Whiteside, Minister of Education and Child Care, BC  
Ms. Carolyn Broady, President, BC School Trustees Association  
Mr. Clint Johnston, President, BCTF  
Mr. Ken Sim, Mayor Elect, City of Vancouver  
Mr. John Bromley, President & CEO, CHIMP  
Mr. Blake Bromley  
Ms. Yue Liu, Associate DLA Piper LLP (Commissioner for Taking Affidavits)  
Mr. Josh Vander Vies, In-House Legal Counsel, CHIMP and Nominator.

## **Attachments**

1. Pages of tax returns showing the dates of Mr. Richardson's resignation from 15 charities.
2. Candidate nomination package for Christopher Richardson, signed August 22, 2022.
3. CRA Audit Report on Headwaters Foundation, Jan. 8, 2020 & CRA Letter, March 2, 2021.

## **Sources**

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<sup>1</sup> Pages of tax returns showing that Christopher Richardson was a director of 42 of the Bromley charities. Documentation pending for 12 of these charities:

<https://fairquestions.typepad.com/files/richardson-42-final-42-pgs.pdf>

<sup>2</sup> Tax return for Headwaters Foundation for 2021 showing that Christopher Richardson was a director since November 19, 2010: <https://fairquestions.typepad.com/files/headwaters-foundation-4.pdf>

<sup>3</sup> Notice of revocation of Headwaters Foundation:

<https://fairquestions.typepad.com/files/headwaters-cra-online-revocation-notice-1.pdf>

<sup>4</sup> Tweets:

- o September 24, 2022: <https://twitter.com/FairQuestions/status/1573826010076024832>
- o September 26, 2022: <https://twitter.com/FairQuestions/status/1574522071182618624>
- o October 4, 2022: <https://twitter.com/FairQuestions/status/1577451693687865344>
- o October 11, 2022: <https://twitter.com/FairQuestions/status/1579942673909415936>
- o October 13, 2022 <https://twitter.com/FairQuestions/status/1580602012110295041>

<sup>5</sup> The School Act. [https://www.bclaws.gov.bc.ca/civix/document/id/loo69/loo69/20\\_382\\_93](https://www.bclaws.gov.bc.ca/civix/document/id/loo69/loo69/20_382_93)