

Vivian Krause, M.Sc.

November 3, 2022

To: Ms. Rosemary Hagiwara, Chief Election Officer, City of Vancouver

RE: Mr. Christopher Richardson, Trustee-Elect, Vancouver School Board 39

I am writing to provide information and to share my concerns and opinions regarding the eligibility of Mr. Christopher Richardson, Trustee-Elect to take the Oath of Office. Last week, I wrote a letter (attached) to Mr. Richardson. In the absence of any response, I am writing to you. As I believe this to be a matter of significant public interest, I will post this letter at my blog.^a

By way of background, I am a local writer and do extensive research on funding via charities. During this work, I noticed that Mr. Richardson has been deemed an “ineligible individual” by CRA.

Before I proceed, please allow me to draw your attention to the Disclosure at the end of this letter. As you'll see, I am the target of legal action brought by an individual who claims to be the benefactor of a charity of which Mr. Richardson was a director. This explains, in part, why I have researched the charities with which Mr. Richardson has been involved.

“Ineligible Individual”

According to a CRA audit report for a Vancouver-based charity called Headwaters Foundation (“**Headwaters**”), Mr. Richardson has been deemed an “illegible individual” and is prohibited from serving as a director of any registered charity in Canada for five years beginning Feb. 10, 2018. Since Vancouver School Board (“**VSB39**”) is a registered charity, I believe that this restriction applies.

In summary, on the basis of what I present ahead, I ask that even though he was elected on Oct. 15, 2022, that you disallow Trustee-Elect Christopher Richardson from taking office on the grounds that he was not eligible to stand for election in the first place, and he must have known it.

The first three words of the Oath of Office are “I am qualified.” I do not see how Mr. Richardson can solemnly swear those three words given, “I am qualified,” given that he has been deemed “ineligible.” Furthermore, on August 22, 2022, Mr. Richardson solemnly swore that he is “not disqualified.” In fact, I believe that he was disqualified at that time and he knew it, as evidenced by the fact that he resigned from 15 charities after having been deemed “ineligible” by CRA. But no one knew since none of the 15 charities, except CHIMP, have a public presence of any kind.

Allowing Mr. Richardson to take office would ignore that he solemnly swore that he was “not disqualified” when in fact, he was. This would make a mockery of our democratic process, and specifically of the eligibility requirements which are put in place to ensure that candidates for public office are qualified and trustworthy.

^a https://fairquestions.typepad.com/rethink_campaigns/

CRA Audit Report on Headwaters Foundation

Going back as far as 2006, Mr. Richardson was a director of Headwaters. He is also one of its three founding directors. Thus, from the beginning, Mr. Richardson was at the helm of Headwaters.

CRA revoked Headwaters' charitable status, in part, because it made "artificial gifts" and engaged in a pre-planned series of circuitous transactions with four other charities in order to confer certain unwarranted tax benefits to a private company. CRA officials characterized the failings at Headwaters as "egregious" and noted that it could be subject to \$10.3 million in penalties.¹

In 2020, a CRA audit report on Headwaters, dated January 8, 2020, CRA states as follows:

"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."

In 2021, CRA sent a second letter to Headwaters, again referring to Mr. Richardson as "ineligible:"

"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 a charity can lose its charitable status if Christopher Richardson continued to be a director.

Five Charities Revoked By CRA

While it was in the CRA audit report on Headwaters that Mr. Richardson's status as an "ineligible individual" came to light, it is actually because of his role at another charity, Theanon Charitable Foundation ("**Theanon**"), that Mr. Richardson was deemed an "ineligible individual."

CRA auditors revoked Theanon's status because of multiple violations of the Income Tax Act:

- Theanon improperly issued tax receipts for \$33.6 million and acted as a conduit to funnel cash and tax-receipted property to achieve certain tax effects.
- Four affiliated charities, including Theanon, participated in a series of transactions intended to orchestrate the sale a multi-million dollar chicken farm under the guise of investments and gifts in order to avoid paying capital gains tax.
- A "scheme for profit-making" involving the purchase of 56 residential lots in Squamish, B.C. Originally, the land was intended to support the start-up of Quest University Canada.
- Theanon's board allowed its tax receipting privileges to be used for private benefits.

The largest gift made by Theanon was a gift of land to Timothy Foundation. That gift was for \$18,200,000. As of October 22, 2022, CRA has also revoked the status of Timothy Foundation.

In addition to Headwaters and Theanon, Mr. Richardson has been a director of at least three more charities that have had their status revoked by CRA because of serious violations of tax law. This indicates that Mr. Richardson's involvement with charities that flout the law is not a one-time-only, minor transgression. Instead, this is a pattern that goes back at least 15 years.

- **Global Institute** – Fifteen years ago, in 2007, a CRA letter sent to Mr. Richardson says that CRA revoked the charitable status of Global Institute because it abused its tax receipting privileges in "offshore" arrangements and issued donation receipts when "no gift was made."² Fully 99 percent of Global Institute's "donations" were part of offshore tax planning.³
- **Prescient Foundation** - For six years, Richardson was a director of Prescient (2004-2010). Prescient Foundation participated in the circuitous chicken farm transactions, referred to above. Blake Bromley took the case to the Federal Court of Appeal. He lost. The appeal court reminded Bromley that charities are to operate for purposes that are **exclusively** charitable and found that the Bromley charities "broke that important rule."⁴
- **Canadian Education Forum ("CEF")** - For five years, Mr. Richardson was a director of CEF. A CRA audit found that CEF's directors demonstrated a lack of due diligence in safeguarding the charity's asset, resulting in "significant erosions" of financial resources. CRA also found that CEF provided unacceptable benefits for the private gain of a director, Blake Bromley. As an example, CRA cited an event held at Vancouver Club to familiarize an audience with CHIMP, whose president/CEO is Blake Bromley's son, John Bromley.⁵

Implications for Vancouver School Board

Without status as a registered charity, Vancouver School Board cannot issue tax receipts and would not be eligible to receive gifts from other registered charities on the basis of being a “qualified donee,” as is now the case. In 2021 alone, VSB39 received tax-receipted donations for approximately \$2 million plus \$1.3 million as gifts from other registered charities. This is not an insignificant amount of funding.

While I believe that it is unlikely that CRA would revoke the charitable status of VSB39, the Income Tax Act does allow that charitable status can be revoked merely for having an “ineligible individual” as a director. This is an indication of the seriousness of the designation of “ineligible individual.”

Candidate Declaration Sworn by Mr. Richardson

On August 22, 2022, Mr. Richardson solemnly swore or affirmed before a Commissioner for taking affidavits, as follows (see the attached):

“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.”

Considering his status as an “ineligible individual” and the fact that VSB39 is a registered charity, I believe that Mr. Richardson should not have declared himself “not disqualified.” It follows, in my opinion, that Mr. Richardson should not have been a candidate for election. This is why I bring this matter to your attention.

Furthermore, I believe that Mr. Richardson’s own actions provide evidence that he knew he was ineligible and that by staying on a charity’s board of directors, he could be jeopardizing its charitable status. The actions of Mr. Richardson that I am referring to is the fact that after being deemed an “ineligible individual” on February 10, 2018, Mr. Richardson resigned from 15 charities where he had served as a director, on average, for more than ten years. From eight charities, Mr. Richardson resigned as of the same date: April 16, 2019.

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.”

In my opinion, Mr. Richardson does not meet this specific requirement under Section 32(1).

The Oath of Office

My understanding is that school board trustees must swear or affirm an Oath of Office and that, according to The School Act, the first three words of the Oath are "I am qualified."¹⁰ I cannot see how Mr. Richardson could honestly swear or affirm the words "I am qualified." In fact, I believe that he is disqualified on the basis of valid reasons.

Finally, please consider the attached material and list of questions regarding Charitable Impact Foundation ("**CHIMP**") where Mr. Richardson has been a director for nine years and is currently Vice-President, Finance & Administration. I believe that this information is relevant because it reveals some of the types of transactions that Mr. Richardson has been involved in for many years.

In conclusion, once again, based on what I've presented, I ask that you disallow Mr. Richardson from taking office on the grounds that he wasn't eligible to stand for election in the first place.

Thank you for taking time to consider this matter. I am available to provide additional information.

Sincerely,
Vivian

c.c. By e-mail:

Mr. Christopher Richardson, Trustee-Elect
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. Letter from Vivian Krause to Mr. Christopher Richardson, October 26, 2022.
2. Backgrounder: Christopher Richardson & The Bromley Charities, Part 1.
3. Pages of tax returns showing the dates of Mr. Richardson's resignation from 15 charities.
4. Candidate nomination package for Christopher Richardson, signed August 22, 2022.

Charitable Impact Foundation “CHIMP”

For more than ten years, Mr. Richardson was a director of five charities that lost their charitable status due to serious violations of tax law. In addition to these five charities, there are serious concerns with regards to Charitable Impact Foundation “CHIMP,” a charity at which Mr. Richardson was a director for nine years and currently serves as VP, Finance & Administration.

Regarding CHIMP, here's a list of five key questions for Mr. Richardson:

1. From CRA's audit report it is clear that CHIMP was at the hub of the circular transactions for which Headwaters Foundation lost its charitable status. **Is CHIMP also under CRA audit?**
2. CHIMP claims that it has received \$1.1 billion in donations and is the “fastest growing giving network” in all of Canada. And yet, two of CHIMP's largest projects ended up in deep debt and failed as charitable endeavors.¹¹ If CHIMP is so successful, why did these projects fail?
 - Despite \$425 million in tax-receipted donations reported by a dozen charities involved in founding Quest University Canada, the university began with no endowment and quickly went into deep debt to CHIMP and other charities set up by Blake Bromley.¹² In 2020, Quest was sold and CHIMP got \$24.5 million.¹³
 - Despite \$106 million in donations, including \$74.7 million from CHIMP, Fortius Sport & Health Centre ended up with \$94 million in debt and was sold to the City of Burnaby.¹⁴
⇒ Considering that CHIMP's “gift” of \$74.7 million to Fortius Foundation was returned to CHIMP via the repayment of loans, is it fair to say that this what CRA calls an “artificial gift?” Why was this huge gift made so quietly, without even a press release?
3. In 2020, Deloitte, CHIMP's Independent Auditor, was unable to vouch for \$193 million of CHIMP's assets in the form of unlisted securities?¹⁵ CHIMP's entire board resigned within weeks of Deloitte's audit report. What happened?
4. What is the origin of the \$54 million that CHIMP has paid to Chimp Technology Inc, a private company run by CHIMP's CEO and his father, John Bromley & Blake Bromley?^{16,17} That included \$13,641,648 in 2021. Since CHIMP's online giving platform is “free” to use, and since CHIMP charges only 0.5% on donations of publicly traded securities and private company shares, how was CHIMP able to pay \$54 million to Chimp Technology Inc.?¹⁸
5. CHIMP reports that it is the “fastest growing giving network and donor-advised fund in Canada” and that 173,000 people have given to causes they care about through CHIMP's online giving platform.¹⁹ And yet, CHIMP's tax returns report only 24,145 gifts.²⁰ What explains the discrepancy between these two numbers: 173,000 vs. 24,145?
⇒ How can people know that if they donate through CHIMP, their donations actually reach the charity to which they intended to give?

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.

DISCLOSURE

For four years, Christopher Richardson was a director of New Dimensions Foundation. This included 2008 and 2009 when New Dimensions issued tax receipts for \$17.8 million towards Fortius Sport & Health Centre in Burnaby, B.C.^b In 2020, the sports centre was sold to the City of Burnaby for \$26.6 million and is now the Christine Sinclair Community Centre.^c

Scott Cousens, a local business person, claims that he made the donations to New Dimensions Foundation as part of a \$23 million donation to fund the Fortius sport centre. Cousens claims that he “spent his sons' inheritance” and “most of his personal fortune,” to make the “largest philanthropic gift in Canadian sports history.”^d

As I have explained in a voluminous affidavit that I filed on May 25, 2022, I believe that Mr. Cousens claim that he made a donation of \$23 million is untrue. The main reason I believe that Mr. Cousens claim is untrue is that financial statements for Fortius Foundation show that Mr. Cousens' initial donation was used to make a loan, not a gift. Mr. Cousens' private foundation charged interest on that loan, initially at 20 percent.^{e,f} Furthermore, financial statements for Fortius Foundation report a note payable for precisely \$23,000,000 and Mr. Cousens' private foundation reported a note receivable (an “I.O.U.”), also for \$23,000,000.^g In my opinion there would be no reason for these notes if Mr. Cousens had made a true donation of \$23 million. Likewise, no need for the \$74.7 million “gift” that CHIMP made to Fortius Foundation in 2018.

In a series of letters to the Mayor and Council of the City of Burnaby, I expressed concerns about the purchase of the sports centre and urged the City to further its due diligence.^h

September 1, 2021, Mr. Cousens filed a defamation claim against me, the writer of this letter. May 25, 2022, Dan Burnett, Q.C., my legal counsel, filed for dismissal of Mr. Cousens claim.

^b Tax return for New Dimensions Foundation for 2009:

<https://fairquestions.typepad.com/files/new-dimensions-foundation-3.pdf>

^c City of Burnaby press release, December 15, 2020. <https://fairquestions.typepad.com/files/exhibit-f-city-of-burnaby-announcement-15dec2020.pdf>

^d Matt Sekeres. One-stop shop for athletes back on track. The Globe & Mail. October 2, 2010:

<https://www.theglobeandmail.com/sports/more-sports/one-stop-shop-for-athletes-back-on-track/article1214284/>

Glen Korstrom. \$61 million sports centre gets construction go-ahead. Business in Vancouver. September 12, 2012.

<https://biv.com/article/2012/09/61-million-sports-centre-gets-construction-go-ahead>

David Ebner. Fortius Raptors training camp puts spotlight on Vancouver facility. The Globe & Mail. October 1, 2014.

<https://www.theglobeandmail.com/news/national/fortius-raptors-training-camp-puts-spotlight-on-vancouver-facility/article20886436/>

^e Financial statements for Fortius Foundation for Fortius Foundation (formerly Multisport Centre for Excellence) for 2008: <https://fairquestions.typepad.com/files/exhibit-p-fortius-fs-2008.pdf>

^f Tax return for Imladris Foundation for 2010:

<https://fairquestions.typepad.com/files/exhibit-u-impladris-fs-tax-return-2010.pdf>

^g Pages of the financial statements showing a note receivable and a note payable for \$23,000,000:

<https://fairquestions.typepad.com/files/exhibit-uu-notes-for-23-000-000.pdf>

^h Open Letter to Mayor Hurley & the Council of the City of Burnaby.

https://fairquestions.typepad.com/rethink_campaigns/2021/01/open-letter-to-burnaby-mayor-council.html

SOURCES

- ¹ CRA Notice of Intention to Revoke, July 21, 2022.
<https://fairquestions.typepad.com/files/5-cra-headwaters-notice-of-intention-to-revoke-21july2022.pdf>
- ² CRA audit report for Global Institute, February 14, 2007. Page 6.
<https://fairquestions.typepad.com/files/1-global-institute-audit-report-14feb2007-h.pdf>
- ³ CRA audit report for Global Institute, February 14, 2007. Page 12.
<https://fairquestions.typepad.com/files/1-global-institute-audit-report-14feb2007-h.pdf>
- ⁴ Federal Court of Appeal ruling with regards to Prescient Foundation, May 1, 2013:
https://www.canadiancharitylaw.ca/uploads/Prescient_Foundation_judgment_Federal_Court_of_Appeal_2013_May_1.pdf
- ⁵ CRA Audit report on Canadian Education Forum, August 14, 2014. Page 12.
<https://fairquestions.typepad.com/files/cra-cef-audit-14aug2014.pdf>
- ¹⁰ The School Act. https://www.bclaws.gov.bc.ca/civix/document/id/loo69/loo69/20_382_93
- ¹¹ Charitable Impact Foundation. A heartfelt thank you to our donors. \$1.1 Billion donated. Published May 11, 2022: <https://fairquestions.typepad.com/files/1b-chimp-1.1-billion-11may2022.pdf>
- ¹² Bromley Charities That Funded Quest: \$425 Million in Tax-Receipted Donations:
https://fairquestions.typepad.com/rethink_campaigns/2020/10/tax-receipted-donations-870-million.html
- ¹³ Tax return for Vanchorverve Foundation for 2021: <https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/chrtydfts?selectedCharityBn=832241608RR0001&isSingleResult=false&dsrcPg=1&q.stfs=0007>
- ¹⁴ Fortius Foundation financial statements for 2018:
<https://fairquestions.typepad.com/files/exhibit-w-fortius-fs-2018.pdf>
- ¹⁵ Charitable Impact Foundation financial statements for 2020:
https://fairquestions.typepad.com/rethink_campaigns/2021/06/deloitte-193-million.html
- ¹⁶ Pages of financial statements showing payment to Chimp Technology Inc. for \$54,339,832 (2014-2021). <https://fairquestions.typepad.com/files/exhibit-ll-chimp-tech.-54-339-832.pdf>
- ¹⁷ BC Company Summary For Chimp Technology Inc.
<https://fairquestions.typepad.com/files/exhibit-mm-chimp-tech-company-search.pdf>
- ¹⁸ Charitable Impact Foundation Fees: <https://www.charitableimpact.com/fees/> Fees on publicly traded and private company shares: <https://fairquestions.typepad.com/files/chimp-fee-only-0.5-percent.pdf>
- ¹⁹ Charitable Impact Foundation as of October 22, 2022:
<https://fairquestions.typepad.com/files/173-000.pdf>
- ²⁰ Total Number of Gifts Reported by CHIMP: Charitable Impact Foundation 24,145 (2011-2021)
<https://fairquestions.typepad.com/files/chimp-24-145-gifts.pdf>