



# DISCIPLINE CASE *DIGEST*

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## Case 96-15

**MICHAEL THOMAS TRACEY**  
Winnipeg, Manitoba

**Called to the Bar**  
June 28, 1979

**Particulars of Charges**  
Conduct unbecoming a barrister and solicitor (1 count)

- conviction under *The Income Tax Act* for income tax evasion

**Date of Hearing**  
May 29, 1996

**Panel**  
A. Rich, Q.C. (Chair)  
R. Krause  
J. Menzies

## **Disposition**

- Reprimand
- Costs of \$350.00

**Counsel**  
Debra Poskar for the Law Society  
Greg Rodin for the Member

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## **Conviction Under *The Income Tax Act***

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## **Facts**

Mr. Tracey appeared before the Discipline Committee on May 29, 1996.

Mr. Tracey entered a guilty plea to one count of conduct unbecoming a barrister and solicitor as a result of his conviction for tax evasion under Section 239(1)(d) of *The Income Tax Act*.

Mr. Tracey had appeared in Provincial Court on November 10th, 1995, and entered a guilty plea to one count of tax evasion. Mr. Tracey had failed to file Income Tax Returns for the 1991 and 1992 taxation years and had thereby avoided payment of income tax in the amount of \$29,850.43. The Court was advised that during the years in question, Mr. Tracey had been experiencing financial difficulties and avoided his obligation to Revenue Canada for payment of his taxes.

Mr. Tracey ultimately disclosed his failure to file returns during a meeting with officials of Revenue Canada. Upon Revenue Canada's examination of Mr. Tracey's books and records, Revenue Canada found the records to be in good order. As a result, Mr. Tracy was sentenced by the Provincial Court to a fine of \$19,500.00.

### **Decision and Comments**

The Panel took into account Mr. Tracey's guilty plea to the charges. It also noted the circumstances of the tax evasion, the voluntary disclosure to Revenue Canada, the fact that there was no fraudulent intent on the part of Mr. Tracey, and the sentence of the Provincial Court.

### **Penalty**

The disposition of the Discipline Committee was to impose a reprimand and costs of \$350.00.

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