

## International Civil Liberties Monitoring Group Targeting of Muslim Charities by the CRA

### Quick Facts

#### About The Report

- The ICLMG initiated this research after learning about growing concern in the charitable sector of increasing audits and revocations of Muslim charities.
- The report concludes that the CRA is targeting Muslim charities in its attempts to counter terrorist financing and that the agency demonstrates prejudice in its audits.

#### CRA Review and Analysis Division

- As the CRA's counter-terrorist financing activities ramped up after 9/11, the Review and Analysis Division (RAD) was created by the agency's Charities Directorate in 2003 as a stand-alone division to investigate terrorist financing in the charitable sector.
- Little public documentation exists about their work. We do know, though, that the division shares information and collaborates with other national security agencies.
- Anti-terrorism policies are being used to justify surveillance, monitoring and audits of leading Muslim charities on questionable grounds.

#### 2003 - 2015 Revocations

- Although Muslim charities represented 0.47% of registered charities in 2015, the report identified that, from 2008-2015, 75% of all charities revoked by RAD were Muslim charities.

#### 2015 National Risk Assessment

- In 2015 the Canadian Government issued a risk assessment for terrorism financing in Canada, including the charitable sector, which concluded that the risk emanated almost exclusively from Muslim-linked entities, and entirely from entities linked to racialized communities.
- The assessment goes on to link organizations working within these communities, including Muslim charities, to a high level of risk for terrorist financing, without providing clear or substantial evidence.
- In essence, the NRA direction triggered the CRA to target Muslim charities by adopting a "risk-based approach" that was so broad and non-specific in its identification of risk that it extended to all Muslim organizations regardless of scope of work.
- Since 2015 there is no public documentation of the number of RAD audits and revocations.
- Even so, our research points to four more Muslim charities losing their status due to RAD audits since 2015. This includes charities that operate domestically.

### **CRA RAD Targets Muslim Charities**

- The Ministry of Revenue and the CRA may argue that Muslim charities are randomly audited like others and there is no prejudiced selection of such charities, however, the report has found that this does not account for Muslim charities being over-represented in the percentage of charities revoked by RAD specifically for financing of terrorism risks.

### **Lack of Oversight**

- RAD does not always disclose the reasons that triggered an audit, meaning a charity may not know the accusations against it
- RAD investigations and audits have included secret intelligence that cannot be adequately challenged.
- Despite extensive powers, the CRA and RAD have a lack of independent review and accountability, no complaint mechanism, and no oversight body, like other agencies

### **Systemic Racism and Islamophobia**

- While it may not be officially sanctioned by the government of Canada, the assertions and conclusions of the NRA and directions that have been implemented by RAD in a manner that targets and profiles Muslim organizations and communities, supports Islamophobia and has produced bureaucrats and agents who have become invested in these Islamophobic practices – whether they recognize them as prejudiced or not.
- The result is that the CRA has essentially defined their ‘faith’ as a charity’s connection to, or propensity for, involvement in terrorist financing.

### **Recommendations**

1. That the federal government refer this issue to review by the National Security and Intelligence Review Agency (NSIRA) in order to examine the CRA’s RAD processes overall, and specifically its selecting of Muslim charities for audit, to ensure organizations are not being targeted due to racial or religious prejudice. The review must investigate the source of past audits of Muslim charities, active audits of Muslim charities, and Muslim charities identified for audit.
2. That the Minister of National Revenue declare an immediate moratorium on the targeted audit of Muslim charities by RAD until the review has concluded. This does not preclude the audits of Muslim charities selected at random by the CRA outside of RAD.
3. That the Ministry of Finance revisit the anti-terror regulatory, policy and legislative landscape, particularly the 2015 NRA and its impact, particularly on the Muslim community.
4. That the federal government amend the NSIRA Act to allow for complaints from the public regarding the CRA’s national security-related activities.
5. That NSIRA and the National Security and Intelligence Committee of Parliamentarians (NSICOP) coordinate to carryout regular reviews of the CRA’s anti-terrorism activities – including the Charities Directorate and RAD – going forward.