

<https://www.hilltimes.com/story/2022/11/14/cases-up-costs-down-feds-report-227-1-million-in-lost-revenue-public-money-and-property-in-2021-22/355117/>

# Cases up, costs down: feds report \$227.1-million in lost revenue, public money and property in 2021-22

Numbers related to lost or accidentally damaged public property, however, are expected to change after errors in Natural Resources Canada's figures were identified.



Treasury Board President Mona Fortier tabled the 2022 Public Accounts in the House of Commons on Oct. 28. *The Hill Times* photograph by Andrew Meade

- 
- 
- 
- 
- 
- 

The federal government wracked up a total of \$227.1-million in lost revenue, public money, and public property due to fraud, accidents, or offences in 2021-22, a 30 per cent decrease from the year prior, according to the 2022 Public Accounts.

But while the dollar figure attached to losses has dropped, the number of reported cases has risen.

### **SPONSORED CONTENTS**



#### [To Remember Them](#)

[Ensure seniors like Brenda feel the joy of the holidays](#)

For public property, the number of incidents involving theft, loss, damage, or vandalism are overall up 30.4 per cent, with 18,474 incidents reported in 2021-22 compared to 14,164 the year prior. The total value attached, though, has dropped from \$109.3-million in 2020-21 to \$62.5-million.

A notable factor in this change is the fact that the Public Accounts for 2020-21 included costs associated with two fatal

accidents in April 2020 and May 2020 that led to the deaths of seven Canadian Armed Forces members and the loss of a CH-148 Cyclone helicopter and a Snowbird plane.

## RELATED STORIES

[Federal spending down 21.6 per cent in 2021-22 after COVID-fuelled high](#)  
[Feds report \\$326.1-million in lost revenue, public money, property in 2020-21](#)  
[Doppler radar, \\$10 garage-opener remote, 505 phones: feds lose \\$18-million of property in 2017-18](#)

The number of cases of lost public money due to an offence, illegal act, or accident more than doubled, from 43,201 in 2020-21 to 120,538. But again, the value attached decreased (by roughly 30.4 per cent), from \$179.4-million in 2020-21 to \$124.9-million.

In terms of lost revenue, however, the trend is flipped: 15 fewer cases of fraud or willful misrepresentation were reported in 2021-22 (at 75 total, compared to 90 the year prior), but the total dollars involved rose from \$37.5-million in 2020-21 to \$39.7-million.

That said, the numbers involving lost or damaged public property are expected to change after *The Hill Times* flagged odd numbers listed for Natural Resources Canada. Specifically, one case involving a computer, tablet, or laptop was reported, valued at \$1; two cases related to informatics, electronic equipment, or other telecommunications were valued at \$2; and three cases involving machinery, equipment, furniture, and furnishings were noted, valued at \$3. The department has confirmed these numbers are incorrect and said it is working to review and correct them.

Tabled by Treasury Board President Mona Fortier (Ottawa-Vanier, Ont.) on Oct. 28, the 2022 Public Accounts detail federal

spending, and losses, incurred between April 1, 2021, and March 31, 2022.

Of the \$39.7-million in revenue lost due to tax evasion or fraudulent claims, only 47 cases totalling roughly \$5.4-million have been confirmed through court convictions, including 13 cases of income tax fraud totalling \$3.6-million and 29 cases of GST/HST fraud totalling \$1.6-million. Only \$203,659 related to these 47 cases has been recovered so far, but it's estimated that all but \$689,216 will be recovered in subsequent years. Another 27 cases totalling an estimated \$33.9-million are still before the courts, 20 of which involve suspected income tax fraud with a combined estimated cost of \$24.6-million.

For the \$124.9-million in lost public money reported in the 2022 Public Accounts, the largest amount—\$45.1-million—was attached to 12,099 cases of forged or fraudulently endorsed payments reported by Public Services and Procurement Canada (PSPC). In the 2021 Public Accounts, “forged or fraudulent endorsement of payment instrument or other” cases were listed under the Receiver General, under the wider PSPC umbrella. That year, there were 8,301 cases totalling \$25.2-million, meaning the 2022 numbers represent increases of 45.8 per cent (in terms of cases) and 78.8 per cent (in terms of dollars). PSPC reported another 7,998 cases of misdirected electronic payments, totalling \$9.2-million.

The highest number of cases of lost public money by category were reported by Immigration, Refugees, and Citizenship Canada, with 54,924 cases of overpayment or fraudulent health and dental benefits claims, valued at \$4.2-million. Second-highest in terms of cases were fraudulently claimed EI benefits, with Employment, Workforce Development, and Disability Inclusion (EWDI) reporting 23,295 such cases,

valued at \$43.5-million. That's a sharp increase from 2020-21, when 6,925 cases of fraud involving EI benefits were reported, valued at \$14.7-million—in other words, the number of cases more than tripled, while the dollars involved almost tripled. The department has already recovered \$6.1-million of the \$43.5-million in lost public money related to EI benefits, with another \$37.4-million expected to be returned in future years, leaving an expected loss of just \$7,916.

EWDI also reported 12,507 cases of fraudulently claimed Canada Emergency Response Benefit payments, valued at \$7.6-million—all of which is expected to be recovered in future years.

Overall, of the \$124.9-million in lost public money for 2021-22, almost half—\$60.9-million—has already been returned, and the feds expect that only \$6.01-million won't be recuperated.

## Lost public property from theft, vandalism, or accidents (2021-22)

### Materials, tools, and supplies



- Stolen/vandalized: 159
- Lost/damaged: 1,649
- Total cost: \$808,449
- Worst (by \$): Public Health Agency of Canada
- Worst (by #): Global Affairs

### Machinery, equipment, furniture, furnishings



- Stolen/vandalized: 1,488
- Lost/damaged: 1,802
- Total cost: \$2,031,914
- Worst (by \$): National Defence
- Worst (by #): National Defence

### Buildings or other real property



- Vandalized: 579
- Damaged: 284
- Total cost: \$48,944,374
- Worst (by \$): Parks Canada
- Worst (by #): Correctional Service of Canada

### Crown vehicles and other transport



- Stolen/vandalized: 252
- Lost/damaged: 1,242
- Total Cost: \$5,548,787
- Worst (by \$): RCMP
- Worst (by #): RCMP

### Other telecomms, informatics, electronic equipment



- Stolen/vandalized: 475
- Lost/damaged: 1,373
- Total cost: \$865,261
- Worst (by \$): RCMP
- Worst (by #): Canada Revenue Agency

### Computers, tablets, and laptops



- Stolen/vandalized: 134
- Lost/damaged: 1,147
- Total cost: \$1,574,460
- Worst (by \$): National Defence
- Worst (by #): Treasury Board

### Uniforms



- Stolen/vandalized: 6
- Lost/damaged: 48
- Total cost: \$38,126
- Worst (by \$): National Defence
- Worst (by #): National Defence

### Access cards or security badges



- Stolen/vandalized: 10
- Lost/damaged: 743
- Total cost: \$16,452
- Worst (by \$): RCMP
- Worst (by #): RCMP

### Weapons and accessories



- Stolen/vandalized: 1
- Lost/damaged: 3,357
- Total cost: \$60,199
- Worst (by \$): National Defence
- Worst (by #): CBSA

### Combat uniforms



- Stolen/vandalized: 51
- Lost/damaged: 1,704
- Total cost: \$1,271,507
- Defence was the only department to report losses.

### Cell phones



- Stolen/vandalized: 472
- Lost/damaged: 1,498
- Total cost: \$1,338,522
- Worst (by \$): CFIA
- Worst (by #): Employment & Social Development

**Total cost: \$62,498,051**

Source: 2022 Public Accounts of Canada

Graphic courtesy of Infogram

Breaking down the numbers related to public property, the increase in overall case numbers in the 2022 Public Accounts is a result of more incidents of lost or damaged property, which jumped 62.3 per cent with 14,847 such cases reported, compared to 9,146 in 2020-21. However, in terms of dollars, the cost of accidentally lost or damaged property was down 44.3 per cent, dropping from \$105.9-million in 2020-21 to \$58.95-million. (But again, Natural Resources Canada is set to update its reported numbers, and the 2021 Public Accounts included two costly, fatal accidents.)

Of the overall \$62.5-million in costs related to public property in 2021-22, \$57.1-million isn't expected to be recovered.

Looking at the currently available numbers by category, the top three increases in cases of lost or damaged property related to weapons and accessories (from 577 such cases in 2020-21 to 3,357); materials, tools, and supplies (from 531 cases to 1,649); and other telecommunications, informatics, and electronic equipment (from 778 cases to 1,373).

The overall number of incidents of theft or vandalism reported by the feds, meanwhile, were down 27.7 per cent in 2021-22, from 5,018 cases in 2020-21 to 3,627. The value attached, however, is up 6.1 per cent, from \$3.3-million to \$3.5-million in 2021-22.

Despite the overall 27.7 per cent drop, cases of stolen or vandalized property only actually decreased in two categories: materials, tools, and supplies (from 3,689 cases in 2020-21 to just 159), and access cards or security badges (from 19 to 10). The stark drop related to materials, tools, and supplies offset increases in other categories. The top three increases by category related to: machinery, equipment, furniture, and furnishings (from 359 cases in 2020-21 to 1,488); other telecommunications, informatics, and electronic equipment (from 45 cases to 475); and cellular devices (from 63 cases to 472).

In terms of associated costs, based on the current numbers, the largest overall jump in 2021-22 was in relation to buildings or real property.

In 2020-21, 497 cases of vandalism and 109 cases of accidental damage totalled \$2.9-million. By comparison, the 2022 Public Accounts detail 579 cases of vandalism to buildings or real

property and 284 cases of accidental damage, totalling \$48.9-million. Most of that increase is attached to accidental damage, which jumped by \$45.7-million. Twelve departments and agencies reported damage or vandalism to public buildings or real property in 2021-22. While the Correctional Service of Canada reported the most cases (505, all but three of which were vandalism), the highest associated cost was reported by Parks Canada (at \$43.34-million, of which \$43.26-million was accidental damage).

Parks Canada did not respond to questions by filing deadline.

Fisheries and Oceans reported the second-highest cost associated with damage or vandalism to real property, at \$2.26-million, almost all of which (\$2.25-million) related to 41 cases of accidental damage. According to the department, the four cases of vandalism (valued at \$15,095) “involved damage to fences, windows and graffiti,” while the costs associated with accidental damage were “primarily from three cases.” That includes \$1,050,000 in estimated costs to repair breakwater damage in Bay de Verde, N.L., “due to a severe storm event in January 2022,”; \$400,000 to repair damage to “rubble mound breakwater” in Schooner Bay, B.C., due to a November 2021 storm; and \$262,771 to remove a “community stage and wharf” in Little Paradise, N.L., which was damaged by Hurricane Larry in September 2021 and had to be removed for safety reasons.

The largest decrease in cost by category (based on current numbers) was unsurprisingly related to Crown vehicles and other transport—the category the two aircraft involved in fatal accidents were previously reported in—which dropped from \$92.2-million to \$5.5-million.



It's worth noting that while the overall cost is down significantly, case numbers related to lost, stolen, vandalized, or damaged Crown vehicles and other transport jumped slightly, from 1,156 cases in 2020-21 to 1,494 (the majority of which—1,242 cases—related to loss or damage). The RCMP reported the highest numbers, in terms of cases and dollars attached, with 1,062 overall cases valued at \$3.9-million. Of those, 110 involved theft or vandalism, valued at \$352,482.

In terms of weapons and accessories—which saw the largest increase in overall case counts, from a total of 586 in 2020-21 to 3,358—most of that was reported by the Canada Border Services Agency, which noted 3,129 cases of lost or damaged weapons and accessories, valued at \$3,266. National Defence, which reported 207 such cases of loss or damage, had the highest associated cost, at \$53,451. Only one of the 3,358 cases recorded in the 2022 Public Accounts was theft or vandalism; valued at \$950, it was reported by the RCMP.

Looking at the numbers for materials, tools, and supplies, more than half of the \$808,449 in estimated costs for all reported cases related to one incident of theft noted by the Public Health Agency of Canada (PHAC), valued at \$500,000.



A total of 472 cellular devices were reported stolen or vandalized in 2021-22, with another 1,498 lost or damaged. *Image courtesy of Unsplash*

In an email response, PHAC explained that “a tractor trailer carrying \$500,000 worth of medical gowns was stolen during shipment.” It was “subsequently retrieved with the majority of the load,” valued at \$499,200, “intact.”

Diving into the numbers for cellular devices, 370 of the 472 stolen or vandalized cellphones were reported by the Canadian Food Inspection Agency (CFIA), valued at \$420,350. In an email response, the agency explained that in 2021-22 there was “an isolated incident” in which “370 smartphones were stolen from a CFIA building,” where they were being stored before being deployed to users. As a result, “there was no information on the devices.” A police report was filed, noted the agency.

“Storage has been moved to another location and additional security measures have been implemented to secure those assets,” read the response.

That theft alone accounted for 31.4 per cent of the \$1.3-million in total costs associated with lost, damaged, stolen, or vandalized cellular devices. Of that total, \$474,682 was due to loss or damage (1,498 cases), while \$863,840 was due to theft or vandalism.

For computers, tablets, and laptops, the Treasury Board Secretariat (TBS) reported the highest number of cases overall at 345, of which six related to theft and 339 related to loss or damage. According to TBS, while nine devices were damaged, 330 were “reported missing during a storage inventory update,” leading to an internal investigation.

“As a result of this investigation, two employees are no longer employed by TBS and one of them was arrested by the Ottawa

Police. As the police investigation is ongoing, TBS is not in a position to comment further,” read an email response.

“Whenever a device is reported lost, damaged or stolen, the device is locked to avoid unauthorized access and its service is immediately suspended.,” noted the department.

All but one of the 345 stolen, damaged, and missing devices were Microsoft Pro tablets, plus a MacBook Pro.

*lryckewaert@hilltimes.com*

*The Hill Times*

## **Total lost revenue, money, public property**

Category	2019-20	2020-21	2021-22
Lost revenue	\$36,967,723	\$37,451,486	\$39,722,059
Lost public money (accidents and offences)	\$168,909,719	\$179,356,721	\$124,891,850
Lost public property (accidents and offences)	\$36,237,061	\$109,258,795	\$62,498,051
<b>Total</b>	<b>\$242,114,503</b>	<b>\$326,067,002</b>	<b>\$227,111,960</b>

—Source: the 2020, 2021, and 2022 Public Accounts of Canada.

## **2022 Public Accounts, totals by category**

Category	# Stolen or Vandalized	\$ Stolen or Vandalized	# Lost or Damaged	\$ Lost or Damaged	Overall Total #
Materials, tools, supplies	159	\$641,854	1,649	\$166,595	1,808
Crown vehicles & other transport	252	\$568,404	1,242	\$4,980,383	1,494
Computers, tablets, laptops	134	\$162,255	1,147	\$1,412,205	1,281
Cellphones	472	\$474,682	1,498	\$863,840	1,970
Other telecommunications, informatics, electronic equipment	475	\$250,326	1,373	\$614,935	1,848
Machinery, equipment, furniture, furnishings	1,488	\$265,927	1,802	\$1,765,987	3,290
Access card or security badge	10	\$175	743	\$16,277	753

Buildings or real property	579	\$1,119,669	284	\$47,824,705	863
Weapons and accessories	1	\$950	3,357	\$59,249	3,358
Uniforms	6	\$1,187	48	\$36,939	54
Combat outfits	51	\$60,000	1,704	\$1,211,507	1,755
<b>TOTAL</b>	<b>3,627</b>	<b>\$3,545,429</b>	<b>14,847</b>	<b>\$58,952,622</b>	<b>18,474</b>

—Source: 2022 Public Accounts of Canada.

## Total public property losses: 2021 vs. 2022 Public Accounts

Category	Overall Total # 2021	Overall Total \$ 2021	Overall Total # 2022	Overall Total \$ 2022
Materials, tools, supplies	4,220	\$2,031,306	1,808	\$808,449
Crown vehicles & other transport	1,156	\$92,223,451	1,494	\$5,548,787

Computers, tablets, laptops	650	\$3,252,389	1,281	\$1,574,460
Cellphones	729	\$576,545	1,970	\$1,338,522
Other telecommunications, informatics, electronic equipment	823	\$2,173,665	1,848	\$865,261
Machinery, equipment, furniture, furnishings	2,016	\$3,433,433	3,290	\$2,031,914
Access card or security badge	1,151	\$7,417	753	\$16,452
Buildings or real property	606	\$2,906,597	863	\$48,944,374
Weapons and accessories	586	\$186,291	3,358	\$60,199
Uniforms	56	\$7,844	54	\$38,126
Combat outfits	2,171	\$2,459,857	1,755	\$1,271,507
<b>TOTAL</b>	<b>14,164</b>	<b>\$109,258,795</b>	<b>18,474</b>	<b>\$62,498,051</b>

—Source: the 2021 and 2022 Public Accounts of Canada.