

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

UNITED STATES OF AMERICA,)

Plaintiff,

v.

JOHN BAPTIST KOTMAIR, et al.,)

Defendants.)

Case No.: WMN 05 CV 1297

**Declaration of Revenue Agent Joan Rowe in Support of the United States' Motion for
Summary Judgment**

1. I am a duly commissioned Revenue Agent with the Internal Revenue Service (IRS), where I have worked for 23 years.

2. Except where noted to the contrary, I have personal knowledge of the matters set forth in this Declaration, and, if called upon to testify to such matters, could do so competently.

3. As part of my duties, I have been assigned to determine if civil penalties should be assessed against John B. Kotmair, Jr., (Kotmair) a Maryland resident, and Save-a-Patriot Fellowship (SAPF), under 26 U.S.C. §§ 6700 or 6701 for promoting a tax-fraud scheme, and whether Kotmair and SAPF should be enjoined from promoting this tax scheme under 26 U.S.C. §§ 7402 and 7408.

4. I have reviewed the materials related to the preliminary investigation, which was primarily conducted by another Revenue Agent.

5. Kotmair organized SAPF in 1984 after serving a sentence for willfully failing to file income tax returns for 1975 and 1976, according to SAPF's "Membership Book," a copy of which is attached as Exhibit 1A (pages 1-18) and Exhibit 1B (19-31).

6. The preliminary investigation revealed that SAPF publishes false statements regarding the income tax laws and advises SAPF customers not to report income earned while working in the United States.

7. SAPF and Kotmair publish marketing materials falsely stating that U.S.-source income is not taxable, U.S. citizens are not required to file income tax returns, and that individuals can revoke their application for Social Security numbers.

8. As part of the scheme, SAPF operates as a self-described “business,” Exhibit 2, marketing services at the websites located at www.save-a-patriot.org, www.taxfreedom101.com, a copy of which is attached as Exhibit 3, and www.taxtruth4u.com, Exhibit 3A and through a newsletter called *Reasonable Action*.

9. The taxtruth4u.com website promotes SAPF materials through an “Exam Certified Independent Representative of S.A.P.F.”

10. The taxfreedom101.com website also promotes SAPF products and services and lists its address as 12 Carroll Street, Westminster, Maryland. This is the physical location of SAPF.

11. The taxfreedom101.com states that customers “Thousands of Americans have quit Social Security, and now collect and keep 100% of their earnings!” The taxfreedom101.com website falsely states that participation in Social Security is “voluntary,” customers can revoke their Social Security number, and that the income tax does not apply to income earned while working in the United States.

12. The taxfreedom101.com website further advertises services offered by SAPF, including: (1) “power of attorney” work, (2) challenging levies, which includes filing complaints

against IRS employees, (3) enforcement of hardship petitions, and (4) filing bankruptcy petitions and other court pleadings.

13. The services advertised on the *taxfreedom101.com* website that are provided by SAPF are identical to those stated in the SAPF Membership Handbook.

14. At the website located at *www.save-a-patriot.org*, SAPF explains the services provided to customers, and falsely states, among other things, that “Taxable income . . . is limited to certain income that has been ‘earned’ while living and working in certain ‘foreign’ countries or territories,” and is attached as Exhibit 4.

15. The *save-a-patriot.org* website also falsely states that the “Form 1040 individual income tax return is appropriate for any person acting as a fiduciary for a nonresident alien and receiving interest and/or dividends from the stock of domestic (US) corporations on behalf of that alien.”

16. As part of the scheme, SAPF and Kotmair advise customers through written letters that “domestic . . . income is not taxable.” A copy of a letter advising an SAPF customer not to report U.S.-source income on an IRA withdrawal is attached as Exhibit 5.

17. In defendants’ 1999 *Reasonable Action* newsletter, issue 237, SAPF falsely advises customers that “there is no law imposing an income tax on U.S. Citizens,” which is attached as Exhibit 6.

18. In defendants’ 1998 *Reasonable Action* newsletter, issue 235, SAPF falsely advises customers that “the Code does not impose ‘income taxes’ on the domestic income[] of citizens within the States of the Union,” which is attached as Exhibit 6A.

19. In defendants' 1998 *Reasonable Action* newsletter, issue 233, SAPF states that John B. Kotmair "encourages thousands [perhaps million] of citizens not to file" income tax returns. The 1990 and 1998 copies of *Reasonable Action* are attached as Exhibit 6B.

20. In defendants' 1998 *Reasonable Action* newsletter, issue 236, SAPF falsely states that the term "United States" includes only "the District of Columbia, the commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa," which is attached as Exhibit 6C.

21. In defendants' 1999 *Reasonable Action* newsletter, issue 238, SAPF falsely states that the "Internal Revenue Code does NOT apply U.S. citizens who are living and working in the 50 states," which is attached as Exhibit 6D.

22. In defendants' 1999 *Reasonable Action* newsletter, issue 239, SAPF false states the U.S. citizens who are living and working in the 50 states are not required to have income tax withheld, which is attached as Exhibit 6E.

23. The investigation further revealed that Kotmair and SAPF promote a tax scheme that involves preparing documents that falsely claim SAPF customers are not subject to the federal income taxation, and not required to file income tax returns. SAPF customers are charged \$45-48 for each letter mailed to the IRS advancing these arguments.

24. These documents are authored by Kotmair, who claims to have knowledge of the income tax laws, and is touted as a tax law expert, the "fiduciary" of SAPF, and the "director" of the National Workers Rights Committee. Attached as Exhibit 7 is a full-page advertisement placed in the March 23, 2001-edition of U.S.A. Today, stating that Kotmair is an "expert."

25. As part of the scheme, SAPF provides customers with ten categories of responses to IRS inquiries enumerated in the "Outline of Anticipated Correspondence," which is attached as Exhibit 8.

26. As part of the scheme, SAPF mails to the IRS protest letters responding to requests for the SAPF customer's income tax return, when none was filed. The letters, prepared by SAPF, falsely state that the SAPF customer is not required to file an income tax return because they are not "citizens of the United States living or working abroad," a copy of which is attached as Exhibit 9.

27. As part of the scheme, SAPF mails to the IRS written protests responding to second notices requesting the SAPF customer's income tax return, when none has been filed. These letters, prepared by SAPF, falsely state that the SAPF customer is not required to file an income tax return because they did not "receive any foreign earned income" and, therefore, "has no requirement to file an income tax return," a copy of which is attached as Exhibit 10.

28. As part of the scheme, SAPF mails to the IRS written protests responding to notification that a "Substitute for Return" was prepared under the provisions of I.R.C. § 6020(b) for the SAPF customer, a copy of which is attached as Exhibit 11.

29. As part of the scheme, SAPF mails to the IRS written protests responding to notices proposing the SAPF customer's income liability when a substitute for return is prepared for the individual. In these letters, Kotmair requests a meeting on behalf of customers, which falsely states his customers are not required to file an income tax return because they "received no income from sources listed in 26 CFR § 1.861-8(f)," a copy of which is attached as Exhibit 12.

30. As part of the scheme, SAPF sends written protests to the IRS responding to Notices of Deficiency sent to SAPF customers when a "Substitute for Return" has been prepared under the provisions of I.R.C. § 6020(b). These letters, prepared by SAPF, falsely state that the SAPF customers were not required to file an income tax return because they received no "Foreign Earned Income," a copy of which is attached as Exhibit 13.

31. Attached as Exhibit 13A is a copy of a typical notice of Deficiency sent to an SAPF customer. The reference in the Notice of Deficiency to I.R.C. § 6651(f) penalties for 1997 through 2002 indicates that this customer has not filed an income tax return for these years. The reference to I.R.C. § 6654 penalties indicates that this individual did not make sufficient quarterly tax payments for 1998 through 2002.

32. As part of the scheme, SAPF sends written protests to the IRS responding to Notices of Intent to Levy after an assessment has been recorded. These letters, prepared by SAPF, falsely state that the assessments are invalid because the SAPF customer is not liable for any tax as a U.S. citizen, a copy of which is attached as Exhibit 14.

33. In response to SAPF's protest letter, the IRS mails SAPF customers a letter informing them that the arguments raised by Kotmair and SAPF are frivolous. A copy of a form letter "3175" is attached as Exhibit 15.

34. As part of the scheme, SAPF and Kotmair send responses to "3175" letters. These letters, prepared by SAPF and Kotmair, falsely state that the member is not liable for any tax because they are not "withholding agents," a copy of which is attached as Exhibit 16.

35. As part of the scheme, SAPF prepares the power-of-attorney forms which are sent to customers, a copy of which is attached as Exhibit 17. In the power-of-attorney forms, the SAPF

customers provide “John B. Kotmair, Jr.,” with authority to investigate their income taxes that the IRS “alleges [they] owe... includ[ing] income tax returns,” and further state that the SAPF customer has a “material interest” in this matter.

36. As part of the scheme, SAPF annually solicits SAPF customers to execute updated power-of-attorney forms, a copy of a letter requesting a member to provide a signed power-of-attorney is attached as Exhibit 18.

37. I have investigated Kotmair’s status as a representative, and to the best of my knowledge, John B. Kotmair, Jr. is not authorized to represent individuals regarding their personal income tax liabilities before the IRS.

38. Although the power-of-attorney forms prepared by SAPF state that Kotmair is authorized to represent individuals before the IRS, Kotmair states in his book *Piercing the Illusion*, at page 139, that he received “a letter from the District Director of the Baltimore IRS Office, notifying [him] that his representative number had been revoked.” A copy of page 139 of *Piercing the Illusion* is attached as Exhibit 19.

39. On June 3, 1994, the IRS District Director notified Kotmair that he is “ineligible to practice before the Internal Revenue Service.” Exhibit 20. The letter further indicates that Kotmair was previously sent notification that he was ineligible to practice before the IRS on May 11, 1993.

40. In response to the letters received by SAPF, and signed by Kotmair, the IRS informs SAPF customers that the person listed on the power-of-attorney (Kotmair) “is not eligible to represent you.” A copy of the letter is attached as Exhibit 21.

41. As part of this scheme, SAPF sent at least 846 protest letters to the IRS, from May 2004 through November 2005, claiming that SAPF customers are not subject to income tax payment or filing requirements as U.S. citizens living and working in the United States.

42. In the frivolous letters described in paragraph 41, Kotmair purported to represent at least 305 individuals from various states, including: Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Mississippi, Missouri, New Hampshire, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, South Carolina, Texas, Virginia, Washington, and West Virginia.

43. The investigation further revealed that the letters containing these frivolous arguments were exhibits in the following cases: Wadsworth v. Commissioner, T.C. Memo. 1997-238; Moore v. Commissioner, T.C. Memo. 2001-305; Tolotti v. Commissioner, T.C. Memo. 2002-86; and Sherwood v. Commissioner, T.C. Memo. 2005-268.

44. During December 2005, a total of 25 letters, sent by SAPF on various dates, purporting to represent taxpayers regarding their individual income tax liabilities were received by the IRS Ogden Service Center.

45. During January 2006, a total of 28 letters, sent by SAPF on various dates, purporting to represent taxpayers regarding their individual income tax liabilities were received by the IRS Ogden Service Center.

46. During February 2006, a total of 29 letters, sent by SAPF on various dates, purporting to represent taxpayers regarding their individual income tax liabilities were received by the IRS Ogden Service Center.

47. As March 6, 2006, a total of 19 letters, sent by SAPF on various dates, purporting to represent taxpayers regarding their individual income tax liabilities were received by the IRS Ogden Service Center. The letters received by the IRS during this period were mailed by SAPF during January and February 2006.

48. As March 6, 2006, a total of 17 letters, sent by SAPF on various dates, purporting to represent taxpayers regarding their individual income tax liabilities were received by the IRS Ogden Service Center. The letters received by the IRS during this period were mailed by SAPF during January and February 2006.

49. As of May 16, 2006, a total of 16 letters, sent by SAPF on various dates, purporting to represent taxpayers regarding their individual income tax liabilities were received by the IRS Ogden Service Center. The letters received by the IRS during this period were mailed by SAPF during March and April 2006.

50. The 846 letters discussed in paragraph 41 does not represent an accurate total of letters sent by SAPF and Kotmair, as not all letters sent by SAPF are accounted for, and were not compiled prior to this investigation.

51. Kotmair and SAPF send these letters, which include FOIA requests, to the IRS despite having been notified on May 11, 1993, and June 3, 1994, that Kotmair is ineligible to represent individuals before the IRS, Exhibit 19 and 20.

52. The investigation further revealed that SAPF and Kotmair prepare documents purporting to revoke an individual's application for their Social Security number in order to discontinue the withholding of income and employment taxes.

53. As part of the scheme, SAPF sells to customers an “Affidavit of Revocation,” and a “Statement of Citizenship,” with instructions for filing these documents.

54. As part of the scheme, SAPF falsely advises customers that employers cannot legally withhold employment taxes after the “Affidavit of Revocation” and “Statement of Citizenship” are filed.

55. As part of the scheme, SAPF falsely advises customers that they “cannot file an IRS Form W-4 with an employer, or any other IRS or state income tax forms, once [they] execute” the “Affidavit of Revocation” and “Statement of Citizenship.” A copy a letter advising an SAPF that they can no longer file income tax returns, sent with an “Affidavit of Revocation,” “Statement of Citizenship,” and a bill for \$95 for the documents is attached as Exhibit 22.

56. Defendants also offer to write letters to employers and draft complaints suing employers who continue to withhold income and employment tax, Exhibits 23 and 24.

57. Attached as Exhibit 25 is a copy of SAPF website located at save-a-patriot.org, stating that an SAPF member used a “Statement of Citizenship” supplied defendants in order to evade income tax withholding requirements.

58. I have identified a number of protest letters written SAPF, which were signed by John B. Kotmair, Jr., in which the SAPF member has purported to revoke their Social Security number. Those letters are attached as Exhibits 26 through 27. The letters demonstrate that these individuals failed to file income tax returns after revoking their Social Security number.

59. I have identified one of the SAPF customers purporting to revoke their Social Security number as James O. Jarvis, which is attached as Exhibit 28.

60. The investigation further revealed that SAPF James O. Jarvis was represented by John B. Kotmair, Jr., as the Director of the National Workers Rights Committee in a lawsuit against Mr. Jarvis's employer, which is attached as Exhibit 29.

61. SAPF customers used the "Statement of Citizenship" and "Affidavit of Revocation" in order to evade the proper payment of income and employment taxes in the following cases: *Damron v. Yellow Freight Sys.*, 18 F. Supp. 2d 812 (E.D. TN 1998); *Alaska Computer Brokers v. Morton*, 1995 WL 653260 (D. Ak., Sept. 6, 1995) *Johnson v. Florida Power Corp.*, 1997 WL 1051475 (Dec. 10, 1997)(The opinion notes 23 other cases filed by Kotmair); *Hamilton v. The Recorder*, 1997 WL 1051472 (Nov. 7, 1997); *Benz v. Department of Defense*, 1997 WL 837789 (Sept. 4, 1997); *Parham v. U.S.P.S.*, 1997 WL 837789 (Aug. 27, 1997); *Davis v. GTE*, 1997 WL 837789 (August 6, 1997); *Lee v. Airtouch Communications*, 6 OCAHO 901 (1996)(same), appeal filed, No. 97-70124 (9th Cir. 1997); *Shepherd v. Sturm, Ruger & CO., INC.*, 1998 OCAHO LEXIS 27 (Feb. 18, 1998); *Bunn v. USX/U.S. Steel*, 1998 OCAHO LEXIS 6 (Jan. 15, 1998)

62. The investigation further revealed that some of defendants' customers have been criminally convict of tax crimes in *U.S. v. Murphy*, 182 F.3d 923 (7th Cir. 1999), *U.S. v. Crosson*, 1995 WL 756599 (E.D. Pa. Dec. 20, 1995), and Exhibit 30.

63. The investigation further revealed that two of defendants' former employees were enjoined by District Courts for engaging in identical conduct, those court orders are attached as Exhibit 31 and 32.

64. The arguments raised by SAPF, which state that U.S.-source income is not taxable and that individuals can revoke their Social Security numbers are addressed in a publication

titled "The Truth About Frivolous Tax Arguments." This publication has been sent to SAPF customers as part of the letter 3175 (Exhibit 15), and is attached as Exhibit 33.

65. The investigation further revealed that defendants reward customers who violate the federal income tax laws by offering to reimburse individuals with civil liabilities or criminal tax charges. Attached as Exhibit 34 is a copy of a bill and statement from an SAPF customer indicating they mailed cash to another SAPF customer as part of this scheme.

66. Attached as Exhibit 35 is a document estimating the IRS's costs associated with processing frivolous filings as of June 2004.

67. Based on the June 2004 estimated costs stated in Exhibit 35, the IRS expends \$5.30 processing each frivolous letter sent by SAPF. The estimated administrative cost of processing *the 846 letters exceeds \$4,483. This estimate excludes lost revenues for uncollected taxes from SAPF customers, and the cost of responding to the letters sent by SAPF.*

68. Based on the June 2004 estimated costs stated in Exhibit 35, the IRS expends \$1,607 in processing substitutes for returns for non-filers. The estimated cost to the U.S. Treasury attributable to filing substitutes for returns for the 846 individuals known to be SAPF customers is \$1,359,522.

69. In addition to the cost associated with processing the correspondence, a total of 638 hours was spent on this investigation. This cost to the U.S. Treasury does not include the time spent by *IRS counsel attorneys in providing legal advice regarding this investigation, the hours that IRS revenue agents throughout the country will have to devote to determining SAPF's customers' tax liability, or the hours IRS revenue officers who will have to devote to collecting*

from SAPF's customers who refuse to pay federal income taxes based on SAPF's, and Kotmair's, fraudulent advice and documents.

Under 28 U.S.C. 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated this 12th day of June, 2006.

A handwritten signature in black ink, appearing to read 'Joan Rowe', written over a horizontal line.

Joan Rowe
Revenue Agent
Internal Revenue Service

Save-A-Patriot Fellowship

Member Handbook

This manual contains valuable information about your membership. It was designed to answer the most frequently asked questions about the Fellowship and should be read and reviewed on a regular basis.

Please read this manual carefully
before calling Fellowship headquarters.



Exhibit 1A

Together We Must Stand -- Or -- Separately You Will Be Stood On!!!

WELCOME to the *Save-A-Patriot Fellowship!*

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WHAT IS THE SAVE-A-PATRIOT FELLOWSHIP?

Over the past two decades, a vast profusion of so-called "un-tax" and "de-tax" groups and gurus have come and gone, most of which relied upon — and were ultimately defeated by — a bewildering variety of unproven arguments, untested theories and so-called "silver bullets".

Steadfast from the beginning, there has emerged, a single prestigious, national organization which serves no other purpose than to actively promote the study of the Law — as it is actually written — and to assist its members in the assertion of their rights in accordance with the Law, especially when dealing with the IRS and the state taxing agencies.

The Save-A-Patriot Fellowship (SAPF) has been in continuous existence since 1984 and at the same physical location since 1986 - 12 Carroll Street in Westminster, Maryland — and at the same telephone number - (410) 857-4441 — and now has members numbering in the thousands from all fifty states.

SAPF is a national association of individuals who are aware that various government agencies — and the IRS in particular — are regularly and systematically infringing upon individual rights. In general, Fellowship members are also aware that this infringement is a direct result of inadequately trained government employees who are more concerned with "following orders", "pushing buttons", issuing memos and otherwise adhering to administrative "policy" than to the written Law itself, and that such policy often runs counter to the constitutional limitations that are imposed on the government.

The Fellowship has researched and developed legal defensive weapons to protect our Liberty and Property. When someone joins the Fellowship, it is a foregone conclusion that they are, to whatever extent, "Fed"—up with the government bureaucracy that has brought this about, and are particularly concerned with the IRS and its propensity to:

- 1) Misapply the Law;
- 2) Illegally enforce its provisions;
- 3) Wreak havoc on peoples' lives, and;
- 4) Rely upon the fact that most people do not take the time to educate themselves or prepare a proper legal defense.

Moreover, since the era of president Roosevelt, our system of justice has "presumed" that any agency of the government has legal jurisdiction over a citizen with regard to the body of Law that the agency is charged with administering, without first having to establish and prove that the agency's contentions are correct. Therefore, any burden of proof to the contrary falls fully upon the individual.

This reversal of presumption in disregard of constitutional ethic has resulted in Courts ruling that rights "will [no longer] be passively protected" and that "they must [now] be aggressively asserted" by the "belligerent claimant in person." (citizen)

By using the news media to plant stories suggesting that resistance is futile and reprisal is swift and painful, the bureaucrats keep the multitudes in line and in F.E.A.R (False Evidence Appearing Real). These "reminders" and a lifetime of Pavlovian conditioning make it difficult for most people to take the first break-away step. However, Fellowship members know: the risk can be removed!

TOGETHER WE MUST STAND - OR - SEPARATELY YOU WILL BE STOOD ON!

A single pencil is easy to snap in your bare hands. Now try it with a bundle of pencils! The Fellowship provides mutual aid, support, and assistance to those who wish to assert their rights. This is accomplished in a number of ways.

FIRST TYPE OF SUPPORT

The Fellowship operates much like an insurance company in that members pledge under our Member Assistance Program (MAP) to reimburse other members should they suffer a loss of cash or property as a result of illegal IRS collection practices and confiscation. With the financial threat of asserting one's liberty thereby removed by spreading the reimbursement costs among all members, "closet" Patriots are joining the Fellowship in droves. Welcome to the Constitutional Revivalist Movement!

To our knowledge, there is no insurance company willing to "buck the system" and insure American Patriots against the criminal acts of the IRS. Our only alternative was to start and maintain our own. However, creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submitting to the dictates of the Insurance Commission to the detriment of Patriots who would be forced to expend funds on legal actions

against insurance companies rather than directing our combined efforts against the illegal acts of the government. Furthermore, monies received on insurance claims would automatically be available to the prying eyes of the IRS.

There was and is only one logical answer—a true FELLOWSHIP—to give the Patriot insurance-like protection to Save-A-Patriot!!!

THE HEART OF THE FELLOWSHIP

A true state of Liberty cannot exist without the rights to property protected. The vision of Founder and Fiduciary, John Kotmair, which became the driving force and fundamental purpose behind the Save-A-Patriot Fellowship, was a group of Patriots working together and dedicating their resources where needed to eliminate ignorance, fear, and loss of property while making a stand for their rights against a government system growing increasingly out of control.

One of the greatest fears anyone can face in our society today is the loss of property. This understanding is what led to what we call the “heart of the fellowship” - the Member Assistance Program (MAP); members helping to restore the lives of fellow members who have been hurt when their property is lost or stolen due to illegal action by various IRS employees.

When a member knows, through a mutual agreement, that he can count on other members to assist him when hard times hit, worry, anxiety and fear of the unknown becomes less of a factor in the fight for his rights and leaves much more room for courage and determination to abound.

It is imperative that each of us understands how critically important it is to meet our pledge of monthly commitment to the Member Assistance Program.

Remember, this is not socialist government wealth redistribution under threat of incarceration — this is voluntary charity. Please also keep in mind that any one of our fellowship members asserting his or her rights can very possibly be the one individual who sets a precedent for any given legal issue that we address, thus changing for the better the lives of all of us, our children and our grandchildren, for all time. In other words, you may never know which of us was the “straw that broke the [socialist] camel’s back”.

There are currently more cracks in the government’s dam than there are bureaucratic fingers to plug them — you may never know which of us causes the dam to break. You may never know the member’s name until it happens. You may never have any idea how they are living or what they are going through to take their stand for God and their country. But, they know YOU - by the FRN’s they receive in the mail just when it counts the most — when it matters that the kids have clothes, or food, or schoolbooks, or that the family has a car to get to and from work, or that the breadwinner has to leave the family for a while and “serve his or her country”. When these things matter, your actions speak louder than words. And your names, with thanks, are on the lips and in the prayers of those members whose lives you have touched.

HOW HAS THE MEMBER ASSISTANCE PROGRAM WORKED?

Like a “Swiss watch”! Since 1984, there have been two types of insurance-like coverage provided: civil and criminal. Civil coverage up to 150,000 FRN’s includes the reimbursement of stolen cash and/or property. Criminal coverage reimburses an incarcerated member 25,000 FRN’s towards the loss of his or her earnings during any part or a full year of incarceration.

When a member in good standing loses cash or real property due to illegal confiscation by the IRS and/or a state taxing agency, or if the member is incarcerated, s/he puts in a claim to SAPF headquarters for the actual amount of the loss or incarceration. Upon validation of the claim, a uniform assessment is apportioned to the entire membership.

The cost per member of participating in the MAP reached an annual high of approximately 500 FRN’s in 1991. Recently, it has averaged less than 20 FRN’s per month, a decline of over 50%! This remarkable reduction is the result of several factors:

As a result of our recently introduced Associate (educational) Membership (a description of which follows below), many “constitutionally reborn” Americans have joined the Fellowship at a time when they were not ALREADY embattled with the IRS. These members continue to join daily in order to become educated, learn how to protect their property, “line their ducks up”, and decide when and how to move forward. Many of these members later upgrade to Full Member (described below), fully prepared for the battle.

As a result of this new area of growth, the overall “health” of the Fellowship has become stronger as fewer and fewer members become damaged by illegal IRS activities and require assistance. Since even Associate Members pledge to

participate to support the MAP, the swelling of our ranks has resulted in a reduction in each member's share of the monthly assessment.

Also, the quality and scope of the services the Fellowships legal defense departments - case development, NWRC, and paralegal (described below) — are able to provide to members continue to improve through experience. Over the past five years, the case development department alone has tracked, generated or archived a total of five million documents, all with a staff of less than two dozen people (the government should be so efficient). A September 1996 communication from our Maryland headquarters revealed that 85% of those cases under case development had gone dormant, meaning that the IRS had not attempted to contact the member in six months or longer.

AN EXAMPLE OF THE MEMBER ASSISTANCE PROGRAM IN ACTION:

John Freeman became a member of SAPF. After a stubborn and valiant fight through every phase of the bureaucratic maze, the IRS illegally confiscated his car valued at 9,000 FRN's (Federal Reserve Notes, commonly but erroneously referred to as "dollars"). His fellow members were assessed their share (in the case of 1,000 members, the apportioned share would be 9 FRN's each) — equal value received for equal loss. If John was incarcerated for a full year, the Fellowship reimbursed him 25,000 FRN's.

THE "VICTORY EXPRESS" ... ALL ABOARD !!!

Under this recently revised version of the MAP, each member will be assessed a minimum of 10 FRN's each month, REGARDLESS of the size of the claim no matter how large the membership becomes.

Using the example of John Freeman again, if the membership were only 1,000, he would receive 10,000 FRN's (10 FRN minimum X 1,000 members) for his 9,000 car — a PROFIT OF 1,000 FRN's FOR LOSING HIS CAR! Some loss!!!

When the membership reaches our goal of 100,000 members, each claimant will be paid approximately ONE MILLION FRNs! - whether the member loses a home or is incarcerated in a federal prison camp for 6 months for "willful failure to file". And, unlike the lottery, he won't have to wait 20 years! Some members may even wish for multiple sentences, since the incarceration assessments are for any portion of a year, each! Because of adverse publicity, federal judges will be hard pressed to sentence Patriots to serve time in federal prison camps.

We believe the VICTORY EXPRESS will cause SAPF enrollments to EXPLODE! And the larger the Fellowship becomes, the greater the support of the People will become! Associate Memberships will ALL upgrade to Full Membership as the People lose their fear and jump into the fray.

When the membership reaches 100,000, IRS agents will be tempted to defect their positions en masse. With no "hired guns" to extort the public, the welfare state will collapse along with the Federal Reserve Bank and the evil doers can be brought to Justice.

Under the new "VICTORY EXPRESS", Mr. Freeman's friends can assert their constitutional rights and obey the Law as written without fear of the IRS. As Americans by the hundreds of thousands join the Constitutional Revival Movement, the despotic house of cards will collapse—and LIBERTY WILL BE RESTORED!!! IT IS A WORKABLE, OBTAINABLE PLAN!!!

SECOND TYPE OF SUPPORT

The Fellowship provides assistance via its case development, National Workers Rights Committee (NWRC) and paralegal departments. For example, should the IRS attempt to contact a member with, for example, a summons to appear at an audit, a request to file a tax return or a proposed assessment of taxes alleged to be owed (examples of IRS civil investigation), caseworkers in the Fellowship's case development department are available acting under power-of-attorney authorized by the member to handle the correspondence, to address any improper requests or allegations and to develop an overall evidentiary foundation of "exculpatory evidence".

NWRC provides such member services as the proper procedure and paperwork to discontinue tax withholding or the proper response to an IRS Notice of Levy or to an employer's request for a social security number. NWRC has recently achieved out-of-court settlements with employers who either refused to hire or fired a Fellowship member who does not possess a social security number.

If the IRS attempts to move forward with an improper lien or illegal collection action, paralegals are available to assist. Paralegal services are also available to (for example) file the proper action in bankruptcy court to stop tax collection activity.

In summary, any tax issue requiring accurate legal assistance and/or defense based upon the Law is available to members on a reasonably priced, fee-for-service basis. Compare our work to that of any "Yellow Pages" attorney and we're certain you will agree.

THIRD TYPE OF SUPPORT

The Fellowship provides educational material in the form of newsletters, books, audio cassettes and videos. The bi-monthly membership newsletter *Reasonable Action* is one of the most highly respected tax-oriented publications in the country. Back issues published since 1986 and covering every conceivable aspect of law and taxation are available to members. A complete listing of available resources is found on the order forms accompanying this packet.

WHAT THE FELLOWSHIP IS NOT

SAPF is NOT a "tax protest" organization. The Fellowship is a First Amendment, Unincorporated Association (recently acknowledged by The Federal District Court for the District of Maryland, Case No. MJG 95-935) dedicated to confining IRS and other government personnel within the written Law. Our association recognizes the necessity of taxation (raising of revenues) but also recognizes that this necessity has provisions in the Law and that the government in meeting its exigencies may not extend its activities beyond the Law. The Fellowship actively promotes the study of the Law and the assertion of one's rights in accordance with the Law. Since it does not "protest" or "object" to any tax - income or otherwise - it is not a "tax protest" organization.

DO YOU KNOW YOUR RIGHTS UNDER LAW?

One must have a license to practice Law. That does not, however, mean that one who is not a licensed attorney or CPA cannot SHOW a fellow citizen what the Law actually says. The Law must be written so that ANY Citizen of average intelligence - licensed or otherwise — can readily understand it, otherwise, as the courts have ruled, it must be held "void for vagueness."

The common understanding of man CANNOT be applied to the Law. Only YOU can decide if you are liable for federal and state income taxes.

Because of what appears to be a Lawful command on the surface, many Citizens, because of their respect for what appears to be Law, are cunningly coerced into waiving their rights due to ignorance.
U.S. Supreme Court, U.S. v. Minker, 350 US 179 at 187.

In America, rights cannot be taxed but privileges can be, which is why there is freedom in understanding your actual, legal liabilities and requirements under the Law. Remember: it's not always what you don't know that can hurt you the most, but what you "know" ... THAT JUST ISN'T SO!

TWO TYPES OF MEMBERSHIP:

Associate Membership

For those wishing to avail themselves of the opportunity to receive the finest "adult education" currently available with regards to our constitutional heritage, including a thorough and accurate analysis of the limited liability of the U.S. citizen for internal taxation.

Full Membership

For those needing case development, NWRC and/or paralegal assistance in responding properly to a Notice of Deficiency, lien, levy or seizure or to other correspondence received from the Internal Revenue Service or state taxing agency; or in stopping tax withholding in the workplace; or in quitting Social Security; or in filing bankruptcy to stop tax collection activity; or with any other tax issue requiring legal assistance and defense.

RESTORING TRUE LIBERTY IN AMERICA

For many years, by using fear of audit and other scare tactics, the IRS has maintained constant surveillance over millions of honest Americans. Now, it's time to reach out and inform the public that our investigation of the IRS itself is complete. As John Kotmair, the Fiduciary of the Fellowship has said, "The turkey is done and it's time to stick a fork into it!"

PRACTICALLY SPEAKING, THERE ARE NO MORE MISSING PUZZLE PIECES!

The overall picture is complete and it's not a pretty one. Those who view it for the first time may never look at their government the same way again. It's time for Americans to take our country back, beginning with our pocketbooks; for, without our rights to Property asserted and defended, true Liberty in America can never exist.

VIDEOS AVAILABLE

By now every member should have our new, eye-opening, 2-hour introductory video, titled *THE TRUTH BEHIND THE INCOME TAX* and our ground-breaking 12-hour video seminar, titled *JUST THE FACTS*. If not, contact the bookstore.

CONCLUSION:

The Save-A-Patriot Fellowship Program is a brilliantly simple defensive weapon whose success has been phenomenal. With the implementation of the newly introduced "VICTORY EXPRESS", the question must be asked, how much longer can the enemy resist us?

REMEMBER OUR MOTTO: *Together We Must Stand --Or-- Separately You Will Be Stood On !!!*

In any battle, the allied participants must support one another or the enemy will "divide and conquer". Over the years, it has become evident that the despots in government are unified in support of one another and worship only themselves, the "money" they control, and the power they wield. Their god is a god of materialism, and their goal is a one-world government where their authority can no longer be challenged.

A FROM PRESIDENTIAL MESSAGE:

Bill Clinton, in his January 28, 1998 State-of-the-Union Message, stated:

"We must exercise responsibility not just at home but around the world. On the eve of a new century we have the power and the duty to build a new era of peace and security. But make no mistake about it. Today's possibilities are not tomorrow's guarantees. America must stand against the poisoned appeals of extreme nationalism ... To meet these challenges, we are helping to write international rules of the road for the 21st century protecting those who join the family of nations and isolating those who do not".

For a full account of how we came to this type of sedition, read *Piercing the Illusion* by John Baptist Kotmair, Jr., the Save-A-Patriot Fellowship's Founder and Fiduciary, available from the Fellowship Book Shop.

FINANCING YOUR OWN DEMISE

Any payment to this government that is not actually required by law, is no different than a tithe or free will offering to a church - except that in this case, it furthers the agenda of those who are usurping the Constitution—the Supreme Law of the Land, and therefore the "authority" that God has placed over us.

By the application of a little logic, one can see that voluntary payments to a government that is in rebellion against the established authority is no less than rebellion against God. If we are to contend for the faith, then we must stand unified in the support of our King when He orders us to:

Stand fast therefore in the liberty wherewith Christ has made us free, and be not entangled again with the yoke of bondage. — Galatians 5:1

FELLOWSHIP METHODOLOGY

In accomplishing its objectives, the Fellowship must strictly adhere to the law. Numerous policies have been instituted to ensure that the staff and Independent Representatives do so, and that they operate within their scope of (common law)

employment. The Fellowship operates as a matter of RIGHT, which is protected under the 1st Amendment, therefore among other considerations, the staff and Independent Representatives are prohibited from making actual legal determinations. This includes determining whether any given individual is subject to the internal revenue laws. The individual in question (a prospective member, for example) would be the only person who could make such a determination. Staff members and Independent Representatives may cite the law and explain it in terms of its regulations and procedures in order to assist someone in making a correct decision. The staff (casework or NWRC departments - see below) may also generate a written response on behalf of members who have received improper inquiries from the IRS. However, neither our staff nor our Independent Representatives can tell you whether or not you are required to file a return or pay a tax. YOU are the only person who can make this determination. Once a prospective member has made that decision, the staff can act accordingly.

Since you have joined SAPF, we assume that you have studied the IR Code and have determined that your activities are not the subject of the tax under United States Code (USC) Title 26 (Internal Revenue Code) and that the law does not require you to file a return or pay an income tax. We also assume that you have made a correct decision and that you are in compliance with the law. Nevertheless, new members are often surprised when one of our staff asks for a clarification of their beliefs regarding legal requirements to file.

We do so because many new members do not know how to express themselves clearly and their intent is not always obvious.

Since the Fellowship does not condone illegal activity of any kind, either by individuals or by government, we will often ask a new member or prospective member whose remarks leave room for doubt to clarify his or her position with regard to their non-filing of returns. By doing so, we can more fully determine their intent and thereby establish whether their individual activities could be construed as that of an illegal tax protester.

If a staff member or Independent Representative has reason to believe that this may be the case and/or that the potential member actually believes the law requires him or her to file a return and that s/he has chosen to willfully violate that requirement, then it is Fellowship policy to advise the individual to comply with the law and file the return that they believe is required.

PAYMENTS FOR THE MEMBER ASSISTANCE PROGRAM (MAP)

Your Fellowship Main Program Agreement (membership application) requires you to support other members who have suffered losses to the IRS by paying your apportioned share to assist them (the agreement explains this in detail). A member in good standing who is subjected to illegal collection action by IRS personnel is eligible for Fellowship benefits if s/he has complied with the terms of the Main Program Agreement. The amount necessary to reimburse that member is apportioned to the entire membership in the form of assessment(s) which will be enclosed with your monthly statement.

Each month, the Fellowship sends out a monthly bill which is an assessment for expenses to the Fellowship for work done on behalf of the member. Some members have had no work done for them or have paid for services as they receive them. They will still receive a bill that will have 0.00 owed on it. We do this so if any mistakes are noted, the member can bring it to our attention at the earliest possible opportunity.

Along with this monthly bill is the assessment to all the membership for the member in need that month. A general explanation is included to let the membership know something about the member being helped. Included will be two envelopes. One is addressed to the member in need and the other is addressed to the Fellowship. In the envelope addressed to the member will be placed the FRN's or totally blank Postal Money orders. The member's number forwarding the FRN's will be written at the return address area so that the member being helped will be able to forward this information to the Fellowship. The envelope addressed to the Fellowship will contain the assessment billing plus any FRN's owed and a preprinted statement letting the Fellowship know that the injured member's assessment has been sent. This approach has been very successful.

All payments, regardless of whether they are made to the Fellowship or to the member must be tendered in FRN's or totally blank U.S. Postal Money Orders and paid within 30 days. Failure to pay the assessment(s) will invalidate your Fellowship Program Agreement and you will be ineligible for benefits. It may also subject your membership to cancellation. The prompt payment for member assistance is imperative in order that the Fellowship work for everyone!

TAX BASICS 101

The Fellowship normally operates under the presumption that members are cognizant of the following facts:

Under our three-branch form of government, the legislature enacts the statutory law, made in pursuance to the Constitution. The rules of *statutory construction*, statutes must be written in explicit terms to mean exactly what they say, no more. Any person of average intelligence must be able to understand a given law, otherwise, under the *vagueness doctrine* it must be held to be "void for vagueness."

The following are the basic facts regarding "income" and "employment" taxes that every working American should have been taught and needs to understand.

All federal law is categorized into 50 topical "titles" of law known as the United States Code (USC). Title 26 (26 USC) encompasses the Internal Revenue Code (IRC). Regulations to enforce the law and specify civil penalties for violators are written and promulgated by agencies of the executive branch, such as the Department of the Treasury which oversees the Internal Revenue Service (IRS). The Treasury regulations for Title 26 are found in 26 Code of Federal Regulations (26 CFR). In order to understand the IRC which encompasses far more than just "income" taxes, one must first understand the subdivision of the IRC.

The IRC is divided into eleven subtitles, the first five of which (subtitles A through E) each cover different categories of taxation, while the last six pertain to procedure, administration, definitions, etc. Subtitle A is the income tax, Subtitle B covers estate and gift taxes, Subtitle C is the wage (employment) tax, Subtitle D covers miscellaneous excise taxes, and Subtitle E covers alcohol, tobacco, and "certain other excise taxes." Each subtitle is totally distinct and separate with regards to the tax it imposes.

In order to become the legally defined "taxpayer" as defined in subtitle F under code section 7701(a)(14) and required to pay a particular class of tax, a liability for the tax must arise from written statute within an applicable subtitle. The tax on income under Subtitle A is an "indirect" tax in the form of an "excise" imposed on certain privileges and defined by the U.S. Supreme Court as gain separated from capital.

The tax on wages under Subtitle C is for the purpose of building credits towards entitlement programs such as Social Security is commonly reported by employers on forms W-2 and 1099. The tax on wages has absolutely nothing to do with the tax on income under subtitle A. The only statute in all of Subtitle A making anyone liable for the "income" tax is code section 1461 which applies to withholding agents. The income of the withholding agent is NOT the subject of the tax. Code section 7701(a)(16) defines the "withholding agent" as one who is required to withhold income taxes from nonresident aliens under code section 1441, from foreign corporations under IRC 1442, from certain foreign tax-exempt organizations under IRC 1443, earned income from the Virgin Islands under IRC 1444, U.S. real property purchased from a nonresident alien or foreign corporation under IRC 1445, and on the income of any foreign partner you may have under IRC 1446. The income tax under Subtitle A is on foreign activities only, which is why it is absolutely correct to state that, unless withholding from foreigners or living and working in a foreign country under a current tax treaty with the U.S., no citizen or resident alien who has lived and worked exclusively within the fifty states of the Union has ever paid a penny in income taxes. You've paid employment taxes, although swearing them to be "income" to yourself on the affidavit known as Form 1040.

With regard to the filing of returns, the only filing requirement for an individual under Subtitle A "income" tax is found in code section 6012(a). Under section 6012(a) and its underlying regulations, "taxable income" is limited to certain income that has been "earned" while living and working in certain foreign countries or the U.S. possessions and territories. The only requirement for an individual to file a return under subtitle A (income tax) is section 6012(a). The Internal Revenue Service identifies the imposition of the income tax and the type of income that is considered "taxable income" for the purpose of this filing requirement in their request to the U.S. government's Office of Management and Budget (OMB) which must "approve" the administration and enforcement of the applicable regulations. Taxable income for the purpose of this section is limited to income that has been "earned" while living and working in certain "foreign" countries or the U.S. possessions and territories.

Under the 1980 Paperwork Reduction Act, the Office of Management and Budget (OMB) must assign an OMB approval number to any agency return that requests and collects information from a U.S. citizen. According to OMB approval control number 1545-0067 assigned to Treasury regulations 1.1-1 "Tax imposed" and 1.6012-0 "Person required to make returns of income" under 26 CFR part 600 to end, the required return for a U.S. citizen to report income is not Form 1040, but Form 2555, "Foreign Earned Income." The 1040 return for the "U.S. Individual" is merely a supplemental worksheet for the required Form 2555. The top of Form 2555 instructs "attach to front of Form 1040" and "for use by U.S. citizens".

Treasury Decision 2313 (TD 2313), issued in 1916 to "collectors of internal revenue" pursuant to the U.S. Supreme Court under the *Brushaber v. Union Pacific R.R.* decision, clarifies that the Form 1040 individual income tax return is to be used only by the fiduciary of a nonresident alien individual receiving interest and/or dividends from the stock of domestic (US) corporations on behalf of that alien.

For the above reasons, the income tax under Subtitle A is not "voluntary" as some have asserted. It is mandatory, but only for those to whom it applies as explained above. Since the law is limited in its application, the question of whether it is mandatory or voluntary is superfluous. The question is: to whom, and under what circumstances is the law applied? With regard to the wage tax under Subtitle C, certain legal requirements may be considered mandatory, but only for the payer of the wages (the "employer") and even then, only if both the "employer" and the "covered employee" have voluntarily agreed via voluntary application on Form W-4 to participate in the entitlement programs. Since there is no legal requirement for a citizen to have a social security number (SSN) in order to live and work in the U.S. or simply for the sake of having one; no legal requirement exists for a citizen who would seek employment to enter a SSN on Form W-4, sign and submit it, and; no legal requirement for a citizen who would hire others to obtain an employer identification number (EIN), neither party - "employee" or "employer" - can be compelled to participate in the entitlement programs, hence compliance under Subtitle C is correctly said to be *voluntary* for citizens. The same applies to resident aliens, who have all the rights of citizens except voting and running for political office.

In order to prevent the withholding of income taxes from citizens and resident aliens, IRS Publication 515 and Treasury regulation 1.1441-5 explain the proper use of the Statement of Citizenship (SOC), the original of which is retained by the withholding agent and a copy of which is sent by the withholding agent to the Internal Revenue Service Center in Philadelphia only (the IRS international or foreign tax office). Call the IRS forms distribution center at 1-800-TAX-FORM for a copy of Form 2555 and Publication 515. Title 26 and 26 Code of Federal Regulations can be consulted on the Internet of the World Wide Web, on CD-ROM from the government Printing Office, at any law library and even at many large city libraries.

In closing, if you are a citizen or resident alien working within one of the 50 union States, not the federal states, you have never been made liable by Congress for the payment of the income tax under title 26, Subtitle A. If you voluntarily filed a Form 1040 in the past, you created a legal presumption of a requirement where none actually exists under law, and will be expected by the IRS to continue filing unless and until you rebut that presumption via sworn affidavit. This will thereby shift the burden of proof to the agency (Secretary of the Treasury/IRS), which must then prove your statements incorrect. To date, no agency has ever rebutted our affidavits, they try to ignore them.

One who quits the Social Security entitlement program (via affidavit), will not receive back any monies already paid in, and by the submission of the affidavit will be ineligible to receive any future federal benefits. The Social Security Administration, ignoring the affidavit, will accept an application for benefits from those who have submitted the affidavit and have enough credits recorded within the agency records. The results of this action will be that the affidavit is then revoked and that individual is then subject to be taxed on the benefits received and will have a requirement to file a Form 1040 tax return.

For this reason we encourage our members to develop a conviction for their actions through education. The internal revenue laws are limited in application. The foregoing statements are NOT legal advice. They are merely factual statements about the law. The Fellowship does NOT give legal advice. It assists members in asserting their rights.

POLICIES

The following policies protect our members, Independent Representatives and the Fellowship's staff. It is imperative that all members act within these policies at all times. PLEASE INFORM A STAFFER AT SAPF HEADQUARTERS IF YOU HAVE KNOWLEDGE OF ANY MEMBER, INDEPENDENT REPRESENTATIVE, OR STAFF MEMBER ACTING OR SPEAKING OUTSIDE OF THESE POLICIES.

1) Un-taxing? De-taxing?

Under no circumstances should you refer to Fellowship assistance as "un-taxing" or "de-taxing" or any other similar phrase. The phrase itself carries with it the connotation that something is being done to cancel or nullify an existing legal requirement. Obviously, if an individual is contending that he or she is not the subject of the law and has no legal requirement to file a return or pay a tax then there is no existing legal requirement to un-do. More succinctly, it is the law that imposes a tax. If the law imposes a tax, then it is incumbent upon those who are subject to the law to comply with its provisions (i.e. file the return and pay the tax). If the law does not impose a tax on a specific object, subject, or activity, then there is nothing to un-tax. If a member, Independent Representative staff member represents Fellowship services as a process of un-taxing, then this could be construed to imply that the Fellowship is somehow able to cancel a statutory taxing provision. That is not the case, therefore please refrain from using the term. While previous signatures on tax returns do create a "presumption" that a statutory requirement exists, presumptions are not statutes and they may be rebutted, however actual, legal requirements cannot. Therefore if anything is to be un-done it is the presumption and not a taxing statute! Semantics are the fine line between being correct and being incorrect.

Realizing, in 1973, that the only way to effectively stop this mad rush to a world socialist government, was to interfere with its financial engine—the Federal Reserve Bank. John entered a movement, started by Mr. A.J. Porth, called the Tax Rebellion. At that time it was the general belief that the 16th Amendment changed the U.S. Constitution and the Internal Revenue Code imposed a tax on U.S. citizens living and working within the States of the union.

After many confrontations with the IRS and State taxing agencies, causing the need to study the relevant court cases and the law, it was discovered that the 16th Amendment did not change the Constitution and that the income tax was actually an excise tax. From there it was gradually discovered that only nonresident aliens and foreign corporation were liable for the payment of income taxes within the States of the union.

Recognizing that in order to restore our liberties and freedoms, the general public would not only have to be educated to their plight but would eventually have to get involved. To help accomplish this, John traveled all over the country lecturing to anyone or organization that would listen. He became the Chairmen for the Committee of Correspondence, a Director for the Patriot Network, and later the National Patriot Association.

Eventually the Justice Department got involved and John was indicted for "Willful failure to file" for the years 1975 and 1976. It became very apparent to not only John but his attorney that the deck was stacked against them and John was convicted. He was given a two year sentence to be served at a minimum security prison in Maxwell Air Force Base, Montgomery, Alabama.

During his "service to his country," John continued his lectures within the prison, often times getting guest speakers to come in from the "outside." Many of these speakers were notable people from the community like Judges and Congressmen. On some occasions, John got them to admit to crimes they either knew about or helped orchestrate against the citizens of this country, yet they went home after the seminars and John was forced to stay.

History teaches that the main cause for the defections from General Washington's army, during the war of rebellion against King George, was the immediate needs of the soldiers families. Understanding this, and seeing this first hand in this modern day non-violent war against tyranny, John thought of ways to help deter this unwanted exit from our ranks and additionally make it easier for other Patriots to join the Cause of Liberty. John asked himself, what is the greatest fear a person can have concerning the IRS? It was obvious to him that the foremost concern of every Patriot was putting his/her family in danger because of the loss of property and incarceration.

He then knew what was needed to combat these fears. A Fellowship! Not just a group of like minded individuals but an association of Patriots willing to stand together to help defray the costs of a member fighting for the rights and freedoms guaranteed by the Constitution.

Exactly 31 days after leaving prison camp, on February 24th, 1984, Save-A-Patriot Fellowship opened its door to an 8'x8' room. Today it has grown into a complex containing a print shop, copy room, paralegal room, casework area, advanced 30 gigabyte video production studio, book shop, 150 person meeting room with stage, sound and video cameras and a complete law library, both on disk, hard copy and computer access to West Law. The rest is history.

ACCESS TO VEHICLES / PUBLICATIONS / VIDEOS

While some publications and videos are available to the general public, all response letters to the IRS or affidavits (revocation and rescission, constructive notice, indemnity, etc.) are exclusive to the membership.

PRICING...

CASEWORK / NWRC

Case and National Workers Rights Committee work are generally 45 FRN's per letter to include certified mail costs. In some cases, advanced research may be needed to accomplish a desired task and charges will go up somewhat accordingly. These extra charges will always be explained prior to a member before any additional work will be undertaken.

PARALEGAL WORK

This argument has been proclaimed by some who believe that the use of the Federal Reserve Bank's notes causes an unproclaimed liability for a federal tax and the filing a Form 1040 that can be addressed only through the U.C.C.. Under no circumstance does SAPF suggest or imply that the U.C.C. in any way imposes or forbids jurisdiction for the purpose of administering the internal revenue laws.

6.3 The 16th Amendment was never ratified

The evidence is indeed overwhelming that the 16th amendment was never ratified by the States of the union. However, the Supreme Court ruled in *Brushaber v. Union Pacific Railroad* and *Stanton v. Baltic Mining* that the 16th amendment conferred NO NEW POWER OF TAXATION and that the income tax remained an indirect tax in the form of an excise. Since the individual income tax is limited in application to foreign entities and/or U.S. citizens living and working abroad, any "revelation" concerning its non-ratification is irrelevant except for revealing to the uninformed person the extent to which the bureaucracy will go to force its agenda down the throats of an unsuspecting public. The Fellowship does not discount the value of propagating such information.

6.4 The IRS is a Delaware or Nevada corporation

This argument is incorrect. It is improperly advanced by individuals who came into possession of the charter of a corporation known as the "Internal Revenue Tax and Audit Service." At the time, the IRS was known as the "Bureau of Internal Revenue." The former was merely a business (similar to H & R Block) started by several certified public accountants for the purpose of selling assistance to taxpayers. There is no connection between the two. Under no circumstances does SAPF suggest or imply that the IRS is a Delaware corporation.

On December 16, 1994, Peter Tolotti, A.R. Salman and Patrick DeVore, incorporated in the State of Nevada under the name Department of the Treasury - Internal Revenue Service, and it was circulated on the Internet that the IRS was a Nevada corporation. John Kotmair inquired of Mr. Dean Heller, Secretary of State for Nevada, and on January 20, 1998 that Office replied that the federal taxing agency was not and has no connection with the corporation of that name.

6.5 Non-resident Alien Status

If everyone understood the scheme of Federal taxation, this argument would have NEVER been raised. Someone claiming to be a non-resident alien is actually stating they are a non-resident to the territories, possessions, and Washington, D.C.. To put it another way, a Citizen of Maryland can claim he is non-resident to Pennsylvania, Virginia, West Virginia, Delaware, and the list goes on. Also, since the Income Tax of Subtitle A in Title 26 applies to non-resident aliens, those considering this argument need to think twice before using it. The Fellowship can seldom help a member who has made this claim. Under no circumstance does SAPF suggest or imply that someone should claim to be a non-resident alien to assert their rights under the law.

6.6 Zip Codes and Postal Zones

Using a zip code does NOT, as many contend, create an adhesion contract between the user and the federal government. An adhesion contract is a consumer agreement on a "take-it-or-leave-it" basis usually without room to bargain. Knowing this, keep in mind what happens when someone refuses to use a zip code. The only thing that happens is their mail will take longer to reach the proper destination, however, it still gets delivered!! No one lost in the agreement with the postal service. So, just the opposite of an adhesion contract is true when using a zip code - use it and you will receive better service!! Under no circumstance does SAPF suggest or imply that using a zip code creates federal jurisdiction, through an adhesion contract, over the user.

6.7 Fourteenth Amendment Citizens

Every person for whom the Fourteenth Amendment was originally written is long since dead. These individuals were slaves that were not born within the States of the union, but were brought here from Africa. The only way someone other than those born within the States of the union can become a citizen is to take a citizenship test. Those freed slaves were unable to pass the test and right or wrong the ratification of the 14th Amendment made them citizens, and so that they could not be discriminated by any of the States, guaranteed all citizens equal protection under the law. Which means that the citizens of Washington, D.C. have the same Constitutionally protected rights as every other Citizen or Resident-alien in this country. Under no circumstance does SAPF suggest or imply that the Fourteenth Amendment created any Federal jurisdiction above and beyond that enumerated in the Constitution itself.

6.8 The Emergency War Powers Act

Executive Orders apply to the executive branch of government only and DO NOT apply to citizens and/or resident-alien! Under no circumstance does SAPF suggest or imply that Executive Orders incur any Federal jurisdiction above and beyond that enumerated in the Constitution.

6.16 Gold Fringe around the Flag

The notion that because an American flag has a gold fringe around it indicates that one is under admiralty-law jurisdiction in a courtroom is ridiculous. The fringe is decoration only. Under no circumstance does SAPF suggest or imply that the gold fringe around an American flag in a courtroom created any federal jurisdiction above and beyond that enumerated in the Constitution itself.

6.17 "Common Law" Certified Money Orders & Treasury Warrants, Commonly referred to as CMO'S and TW's.

This method of discharging debt is another example of the frustrations people are feeling about being deceived by our government pertaining to money issues. Once again, the only way this method "appears" to work is through a "Common Law Court" decision. Under no circumstance does SAPF suggest or imply that "Common Law" Certified Money Orders and/or Treasury Warrants are proper methods for discharging debt.

6.18 IMF "Silver Bullet"

Although the decoding of the Individual Master File can produce some significant information in a court case, it is not the "silver bullet" or "end-all" method for building a solid defense. Besides the common misconceptions outlined above, members can familiarize themselves with the facts advanced by the Fellowship through its various publications (Including the *Reasonable Action* Newsletter) and audio and video productions.

AN OUNCE OF PREVENTION

The foregoing policies have been designed to protect the Fellowship from recrimination by preventing its members, Independent Representatives, and staff from misrepresenting the function and services of the Fellowship and to prevent prospective members from participating in the Fellowship with false expectations.

HISTORY OF SAVE-A-PATRIOT FELLOWSHIP

(90 min. "Creature From Maxwell" audio cassette available through the Bookstore)

In the early '60s, John Kotmair, founder and fiduciary of Save-A-Patriot Fellowship, noticed that something was terribly wrong with actions being taken by the current government headed by John F. Kennedy. A primary example he points to was the invasion of the "Bay of Pigs" in Cuba, where the Cuban freedom fighters were put ashore with ammunition that did not fit their weapons and promised air support did not come. These brave men were rounded up by Castro's forces and taken to prison camps without the need of firing a shot.

His suspicions were confirmed when he was given a tract distributed by the "John Birch Society." He was a police officer with the city of Baltimore, Maryland at the time. This little tract impressed him enough to start passing it around to anyone who would listen. He was shortly contacted and asked to attend a meeting of the "John Birch Society." As with most things John does, he got involved and quickly became a chapter leader and then a section leader.

John then ran into another organization called the "Minutemen." Because of its more radical beliefs, he was asked to resign from the "JBS," which he did. He was a victim of the joint IRS—FBI "Cointelpro" intelligence operation. The exposure of this government clandestine operation resulted in the passage by Congress of the Freedom of Information Act and later the Privacy Act. Later, during his criminal trial, in 1981, the FBI admitted their spying operation to the court, but request that the court prevent the disclosure of the file for fear that it would disclose their informants they had watching John. The court granted their request.

He became involved in the political campaigns of U.S. Senator Barry Goldwater's bid for the Presidency in 1964 as a campaign manager in Baltimore, and that of Gov. George C. Wallace in 1968 and 1972 as the campaign manager for Carroll County Maryland. Subsequently becoming the American Party Chairman for Carroll County. The American Party was started by Gov. Wallace in 1972. Soon thereafter, the American Party was infiltrated and split up like just about every other national third party effort.

Paralegal work (court complaints/briefs, motions etc.) is considerably more cost intensive than power-of-attorney work (case development including correspondence to the IRS). For example, a letter of response to the IRS is currently only 45 FRN's, but a complaint, motion or brief for a court proceeding can be 10 times as much. Due to the fact that each document is different and the time to prepare them varies, the prices for paralegal work are not listed. The nature of the document involves a different kind of research and must be customized in a different fashion. While an experienced caseworker can analyze a case file and generate a response to the IRS in a few hours or so, documents to be submitted to a court may take several days to research and prepare. Moreover, in both instances, the size of the document has nothing to do with the time or the expertise that it took to prepare it. A typical motion can run as high as 300 or 400 FRN's. Estimates are available directly from the paralegal department.

NOTICE OF POWER OF JURY NULLIFICATION

Not all people who are exposed to the information the Fellowship provides become members. However, sooner or later almost everyone ends up on a jury. If the jury is asked to decide guilt or innocence with regard to willful failure or evasion allegations it is helpful to have an understanding of the law. You may develop numerous contacts during your daily activities and often spend much of your time explaining details about the tax law to the average person. Therefore, it is good practice, and Fellowship policy, to make a point of explaining the power of the jury to any contact and/or potential member. Should that person ever find themselves on a jury which is asked to decide the fate of an individual who has not filed a return, the conversation that person had with you could make all the difference in the world. Your contacts should also be forewarned that the government attempts to weed-out individuals, like themselves, who have this knowledge in order to facilitate a conviction in the teeth of justice. They should understand that if they were to admit that he or she had a substantive understanding of the tax laws and the propensity of the IRS to misapply and illegally enforce them, they would not have the opportunity to "make a difference."

For the finest and most concise information available regarding the historic power of jury nullification, contact the Fully Informed Jury Association at 1-(800) TEL-JURY for a free information package - and tell them the Fellowship referred you.

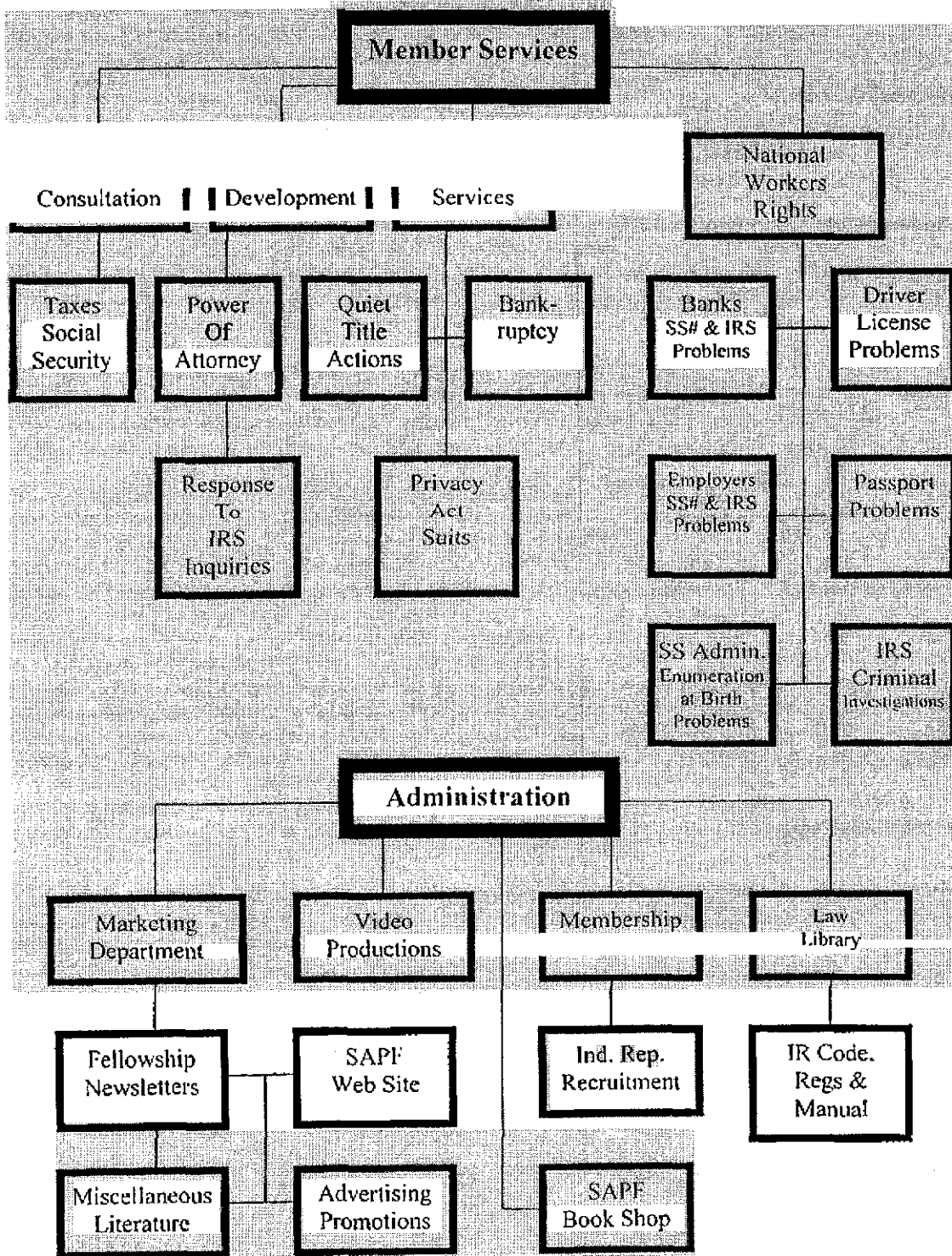
THE CITIZENS RULE BOOK

To facilitate this educational process it is suggested that members purchase a supply of the "Citizens Rule book" to be used as "calling cards" or giveaways to people who choose not to join at the present time. This serves a double purpose in that, not only are people exposed to this information, but your name and place of contact may be put on the rule book for future reference should that person change his/her mind about membership. With your help, they may also wish to refer others to the Independent Representative who assisted you in joining. These rule books will be supplied in quantity to active members at cost plus handling to encourage using this enrollment/educational technique.

ORGANIZATION AND STAFFING

The Fellowship and staff is divided into two main categories, administrative affairs and member services. The administrative section oversees research and development and maintains the library of information currently available to the staff which includes among other things the IR Code, IR Regulations, IR Manual, listings of orders of delegations of authority for the various service centers, Am Jur, Corpus Juris Secundum etc. It also publishes the newsletter *Reasonable Action*, produces the video and audio tapes available to members, maintains a site on the World Wide Web at <http://www.save-a-patriot.org>, and manages membership in general. The member service division involves itself almost exclusively with generating correspondence to the IRS on behalf of members. Such correspondence is essential to preserving all of the due process arguments should a legal action against the IRS become necessary. The service division also includes the paralegal department which generates the paperwork for legal action should it become necessary. On the next page is a diagram of the Fellowship's organizational infrastructure to assist you in communicating with the proper department.

S.A.P. Fellowship Organization & Staffing



HOW TO INTERFACE WITH THE STAFF

For the sake of efficiency, it is imperative that members, especially new ones, learn to interface with the appropriate staff members, and that they do so at specifically designated times. A member who is unable to work within this structure reduces the effectiveness of the staff and increases the costs of overall operations for everyone.

EXECUTION OF NOTICE OF FEDERAL TAX LIENS

If a notice of lien is executed and filed in your county courthouse as a result of improper procedure(s) by IRS personnel, forward a copy to your caseworker to be inserted in your file for future use. Usually there is no direct action to be taken at the time of such a filing.

CID (CRIMINAL INVESTIGATION)

If you receive a letter or some other form of contact from a special agent, (CID), and you feel unqualified to respond, you may call the National Workers Rights Committee for assistance. They will provide you with a response to build pertinent facts about the law that can be presented for a jury's consideration.

BREACHING / OVERCOMING STATE TAX OBSTACLES

If you receive an inquiry from the State taxing agency in which you live, you may call National Workers Rights Committee to request a response.

BREACHING / OVERCOMING EMPLOYER OBSTACLES

If your employer will not accept your statement of citizenship or comply with the laws pertaining to citizens who claim their lawful (exemption) from income tax, contact the National Workers Rights committee for assistance. They will provide you with a response.

BREACHING / OVERCOMING SOCIAL SECURITY NUMBER OBSTACLES

If you experience a problem obtaining a driver's license or any other problem having to do with the revocation of your Social Security application, contact the National Workers Rights Committee.

QUESTIONS ABOUT THE LAW

Questions and answers can occupy a great deal of time. The Fellowship services are oriented in such a way as to focus resources towards case development. We intentionally minimize the time-consuming tasks associated with non-productive activities like telephone conversations. We feel the vast majority of questions can be answered by a cursory reading of the SAPF publications (newsletter series), viewing the video series, or listening to the audio series available through the Fellowship book shop. When you consider that the same simple question is asked repeatedly of the staff (by thousands of people) you can understand why we ask that you take as much time as possible to study these materials before calling to discuss these matters. Once you have exposed yourself to the material, you will have fewer questions and they will be more precise.

At this point you might request a telephone conference with one of our consultants. More importantly, when you receive an answer to your question you will be better able to understand the answer! Until that time, we ask that you subscribe to the newsletter, view or listen to the tapes, and try to do your homework before involving the staff and reducing their available time in case development.

Exhibit 1B

MISCONCEPTIONS ABOUT THE LAW

CRIMINAL VS. CIVIL OBSTACLES

An understanding of the difference between civil actions and criminal actions is essential should you ever be contacted by the IRS. The vast majority of contacts are civil in nature. That is... the IRS is contending that you owe them money as opposed to contending that you have committed a crime. If you receive a request for a return, a proposed assessment, or

notice of deficiency etc., then the action that the IRS is taking is civil. If you receive an inquiry from an IRS SPECIAL AGENT, as opposed to a REVENUE OFFICER or REVENUE AGENT then the action that is being taken is criminal.

If you receive an inquiry from a IRS revenue agent, or revenue officer, you should immediately FAX or mail a copy of the inquiry so that a timely response can be made. If you receive a telephone call from a special agent, do not let them engage you in a conversation, after obtaining his/her name, politely tell him/her to put their inquiry in writing and mail it to you. Then without hesitation, hang up the telephone. If you receive a visit from special agents, do not let them engage you in a conversation, after obtaining their cards, politely tell them to put their inquiry in writing and mail it to you. Then without hesitation, close the door. If you receive a letter from a special agent, call the National Workers Rights Committee (NWRC) for assistance. They will provide you with a response. There is a charge for EACH response.

If your employer or bank receives a levy purportedly authorizing and demanding that your assets be turned over to the IRS, you should contact NWRC for assistance. They will provide you with a response. If your employer or bank ignores the response, ask the SAPF receptionist to speak with someone in the paralegal department. They will inform you of available options.

When you decide to assert your rights in accordance with the law it becomes essential that you UNDERSTAND the law. In the vast majority of cases, we find that most people think they understand—and indeed most possess at least a substantive understanding—but in reality they lack the ability to differentiate between the fine points of the law, especially with regard to the language they use to describe their understanding. There is an old expression... “I think you think you understand what I think I said but what you may not realize is that what I think I said is not what I meant!” With that said, we suggest that you take the test included with this handbook.

THE SAPF INDEPENDENT REPRESENTATIVE PRELIMINARY EXAMINATION

There is no better way to determine the extent of your understanding of the law than to test yourself. The Fellowship offers an exam to anyone interested in taking it. The SAPF Preliminary Examination covers the basic information that any member should know and understand about the tax laws and the scheme of taxation in the United States. This exam would put the brightest members of the Bar to shame. Very few people have passed this exam the first time through. However, the purpose of the exam is to show anyone taking it their areas of weakness in understanding the law, not to embarrass them by their lack of knowledge. Any member in good standing who wishes to become certified as an Independent Representative (IR) for SAPF MUST pass this exam. If the potential IR fails the first time, he or she is allowed to take it again until the results reflect that they do have a grasp of the basics needed to take our message to the public. Simply by studying the results of your exam you will greatly increase your learning curve pertaining to the issues we address at SAPF.

SAPF “POWER-OF-ATTORNEY” CASEWORK

We have found that many members (especially those who are new to the Fellowship) simply do not understand what our power-of-attorney program is all about. Some are so naive as to think that one letter from SAPF will make the IRS go away. We assure you, that is rarely the case. In fact, to put it as bluntly as possible: When we write a letter to the IRS we do NOT even try to make the IRS go away! This approach may seem confusing—so please read on...

You're probably asking yourself: “If the caseworkers at SAPF are not going to make the IRS go away then why am I giving the power-of-attorney?” If you want to assert your rights, it is absolutely imperative that you know what to expect and that you understand the purpose of the power-of-attorney program. If you are unable or unwilling to invest the time necessary to understand the process that is about to occur, or what we will be doing to help you, then you will either give up in despair or you will get angry at us because of your own mis-perception. Please don't put yourself in that position.

The situation is this: One hundred thirty years ago, during The War Between the States, Congress passed what was called The Anti-Injunction Act, now codified as § 7421 of the Internal Revenue Code. The effect of that legislation was to prevent the Courts from interfering with the actual collection of a tax, and as you might suspect, it complicates matters for people like you who want to assert their rights. The average member thinks: “Since the income tax is limited in application and since my income is obviously not the subject of the tax, why not just ask the Court to enjoin the collection of the tax?” And that's a good question...but that's NOT the question you should be asking. Instead, ask yourself: “How can the Court enjoin the collection of a tax when the Anti-Injunction Act that we just mentioned prevents them from doing so?” The answer is: They can't, and that's why we don't ask the Court to prevent the IRS from collection a tax. However, the Court does have the jurisdiction to prevent the IRS from using wrongful assessment and collection procedures.

That being the case...If you are not the subject of the income tax and the IRS has errantly sent you an inquiry, then you have what is called an administrative remedy. These administrative remedies ensure that a person, like yourself, will receive what is called "due process." And, they exist in the form of legal requirements that are imposed on the IRS so that the law will be applied properly. But of course, whether or not those requirements prevent the IRS from hurting someone depends entirely upon whether or not the individual in question makes the proper responses, protests and/or requests that are necessary to obtain relief. Do you know the specific remedy for any given IRS inquiry? Probably not! But more important, if you don't know what they are, then how can you possibly pursue them? When we represent you, that is exactly what we do. We request the remedy that is available under the law. So you ask: "Does this make the IRS go away?" No—not necessarily! But then, it is NOT intended to make the IRS go away! You say: "Well...if it doesn't make the IRS go away then why bother???" The answer is very simple: Knowing that most IRS employees are ignorant of the law and that they will probably not go away, you are building a case to show the court that the IRS has in fact violated the law that was supposed to give you the remedy you were entitled to. Even if the court rules against your evidence of IRS wrong doing, that is not conclusive. When a judge rules against the law, that is called a fraud on the court and can be re-opened at any time.

The important point to remember is that...if you never bothered to make the response, protest and/or request in the first place, then the IRS have no requirements to violate and it is presumed that they are doing things correctly. The issue before the Court is NOT whether your income was the subject of the income tax. Rather, the issue before the Court is whether you received due process—and that depends on whether you requested the remedies that were available to you and whether the IRS gave you the opportunity to pursue those remedies.

The responses, protests and/or requests that we forward to the IRS on your behalf, cite specific administrative due process requirements that impose certain legal obligations on the IRS personnel involved. This effectively puts the IRS employee in a position where he must stop the improper assessment procedure or violate the law in order to move forward with collection. It has been our experience that most IRS employees ignore these legal obligations. However, when they violate those laws relating to due process, a law suit becomes possible. But...only if you can document the denial of due process, up to and including, for example, the IRS's failure to send a proper "Notice and Demand." This is what we do when we take power-of-attorney.

So now you might ask: "How much does it cost to document the denial of due process and what happens after it's documented?" The answer is: We charge 48 FRN's per letter, (includes certified mail costs, and if paid within 10 days—discount 10 FRN's), for each piece of correspondence that we generate. Sometimes, we do as many as three or four per month and sometimes we don't do any at all. Over the course of the year we might write as many as ten for a total of three or four hundred FRN's. However, after that process is complete, and you have exhausted your administrative remedies (assuming the IRS ignores them and they usually do) then a law suit can be filed to seek relief.

Some people get halfway through the process and think that since the IRS hasn't "given up," we must be doing something wrong. Nothing could be further from the truth. The IRS is not going to give-up until they are forced to give-up. Why? Because the IRS counts on people losing their resolve. They count on people being financially unprepared to move forward with a suit. And you know what? The IRS is absolutely correct because a lot of people do just that! If you really want to assert your rights, then you need to prove to them that they're wrong! If you want to assert your rights, you need to set aside the funds that will be necessary to take the legal battle into Court—and when you do, you've got to have the documentation we've been talking about.

COURT LITIGATION SERVICES

ACTION I: CHALLENGING A WRONGFUL NOTICE OF LEVY/LIEN IN COURT

The following court actions are prepared by Fellowship paralegals for members to file in United States District Court, State courts, courts of appeal and the U.S. Supreme Court when needed.

The paperwork is prepared and sent to the member with instructions on filing. In certain cases, the IRS is first notified by letter of the member's claim, which is prepared by a caseworker. Aside from bankruptcy, the lawsuits listed are usually a matter of filing paperwork with a court, without appearance in person. After reading this memo, members may call and speak with a paralegal if they have questions about court appearance, potential costs, etc. If there is a financial difficulty, it may be possible to make arrangements to pay by speaking with an Accounting Assistant in our office. The donations associated with each court action represent the member's share of the Fellowship's debt, determined according to Fellowship resources and time used by paralegals to complete the work. The fees are to be forwarded to the office when a lawsuit is requested to be prepared. The court filing fee for the lawsuit is paid directly to the clerk of court when the member files their paperwork.

The research supporting the suits is largely unavailable or avoided by attorneys, who by the nature of their employment have a vested interest in maintaining favor with their state bar associations and judges. The work is tailored to each member's situation, and does not share the same status as the letter-writing appeals with the Internal Revenue Service (in which the arguments are broken down into separate lines of correspondence on singular issues, and certain replies are anticipated).

In choosing a suit to file, members should give careful thought to their personal financial circumstances, the effect of the IRS actions on their property, and what effect they seek to achieve by their chosen action. All of these considerations can be made by first reading this memorandum, and later speaking with a paralegal. Some members have decided to file suit even though IRS actions did not effect their property significantly, to increase the political pressure in the courts and public exposure of the issues.

In hardship cases, (meaning in cases where a person's principle source(s) of income are being wrongfully levied upon), the filing of a bankruptcy petition is likely to be the only source of immediate relief. Filing a bankruptcy petition will challenge the IRS as a creditor in the court; force them to support their claims; and potentially allow a member to argue the basis of an IRS assessment. This option is likely to be more appealing to members when they understand the possible uses of it — after speaking with a paralegal. More specifics on bankruptcy follow. The other actions available differ somewhat from bankruptcy in terms of their argument(s). They are based on the legal restrictions on IRS assessment and collection authority, advancing a case to potentially set a precedent. The results of a successful case of this type would likely serve to clarify the application of the law and/or reprimand an IRS employee for actions leading up to and including the Notice of Levy/Lien.

The current political climate of the courts is such that judges are (in a number of cases) actively protecting government employees who violate the law. The Fellowship is seeking several avenues of action to inform the public about this situation, and promote introduction of legislation that will correct this wrongful behavior (featured in *Reasonable Action* Newsletter article). However, until this problem is corrected throughout the country, and citizens have prompt redress of grievances both administratively and judicially, the only "*Reasonable Action*" is to exercise all rights available under law. In support of that premise, we encourage members to seek judicial appeal of all unlawful actions of certain government employees, once they have exhausted all necessary appeals with the government agency in question. Whenever a judge obviously rules against the law, that is called a fraud on the court, and the outcome is not conclusive. The record of the administrative appeals and court proceedings should be preserved, for if our joint effort to bring the government back under the law, redress can then be obtained.

ACTION II: JUDICIAL REVIEW OF WRONGFUL NOTICE OF LEVY/LIEN AND INVOLVEMENT OF IRS EMPLOYEE WHO SIGNED THEM.

This action is filed to request that a court order IRS employees to obey the laws as written. Additional information including costs for the suit and appeal possibilities may be obtained by calling the paralegal department.

ACTION III: ENFORCEMENT OF THE HARDSHIP PETITION FOR RELEASE OF LEVY

During the latter part of the 1980's, Congress passed an Act called the "Taxpayer's Bill of Rights." As part of that legislation, they made provisions for relief in cases of indiscriminate IRS collection actions causing taxpayers to have difficulty meeting their basic needs and living expenses. Under the new laws taxpayers have a procedure to notify the IRS of a hardship situation and request a release of the (so-called) levy. (Note: citizens have Rights secured by the United States Constitution and do not need any such rights to be passed by Congress. Because citizens are not the subject of the Internal Revenue Code, [outside of foreign earned income], taxpayers are the nonresident aliens and foreign corporations not having the Rights secured to citizens. Wherefore, rights within the Internal Revenue Code could be extended to these foreigners by Congress, and when citizens are wrongfully set upon by the IRS employees, there is nothing that prevents them from exercising these particular statutes.)

If their basic living expenses exceed their current assets and income being levied, the IRS is required to release the levy. Members should contact their caseworker to obtain the petition to be filed with the IRS. We have had limited success with this petition as a result of the IRS seeking to unlawfully gain more information than required by law (possibly to start a wrongful assessment for the current period?), as well as demanding the signing of tax returns. In these instances the members have considered filing a lawsuit to enforce it. Since the initial petition costs the same as any power-of-attorney letter, and we have certain cases where it has stopped a levy, we believe it is worth attempting, even if a member doesn't wish to enforce it in court. Additional information including costs for the suit and appeal possibilities may be obtained by calling the paralegal department.

ACTION IV: SUIT FOR REFUND OF TAXES AFTER DENIAL OF PETITION FOR REFUND

When the IRS recommends that a person file a suit to obtain a tax refund, they demand that a person have (1) filed tax returns, (2) paid the full amount of tax allegedly owed, and (3) filed amended returns seeking a refund. It is not offered as a means of bringing a jurisdictional challenge to the agency, but only for purposes of stipulating the proper amount of tax due. As a result of our recent research, we can make this same option available to members who have had property wrongfully taken by Notice of Levy (whether or not they filed tax returns or had the total alleged liability taken).

Under the provisions of law authorizing this petition, a person can challenge the jurisdiction of the agency, including an erroneous assessment and/or erroneous collection action. The petition offers the IRS an opportunity to support their actions and answer the earlier appeals, but notifies them that a lawsuit will be filed in the absence of a reply. Their only reply option is to refund the payments taken by the wrongful levy or be sued for refund. Therefore, members seeking to bring an action for a refund must first file this petition. Once it has been filed and the IRS answers, they should forward the appropriate donation for the suit and contact a Fellowship paralegal if they have any questions. Should the IRS fail to answer, the law allows for a suit to be filed after a period of six months. Members should contact their caseworker to obtain the original petition.

Actions (II) and (III) are based on petitions prepared by a caseworker for a member to send to the Internal Revenue Service. The petitions cost the same as normal power-of-attorney correspondence. If and when the IRS fails to reply to the petition, and members have forwarded payment, the preparation of the lawsuits listed above will begin. Because the same arguments used in Action (I) can be raised here, these actions could proceed into the possible sequence of motions listed under Action I (District Court, Appeals Court, then Supreme Court.)

Members should be aware that a positive ruling in response to the original action filed, without opposing motions from the US, is uncommon. The reasons can be attributable to the judicial climate described earlier. The actions listed are requesting the courts to demand an IRS agent to act lawfully. It is predicated on the earlier and neglected responsibility of the IRS to correct wrongdoing when first notified by a party injured. These actions are filed against IRS agents in their individual capacity, and do not seek any award for damages. They only seek the court's command that the IRS obey the law.

Important Note: No guarantee of a certain outcome can be given by the Fellowship due to the current political climate in the courts. What can be guaranteed is that members will receive assistance in making legally-correct arguments, (that can be preserved as explained above), using the latest strategies available for doing so.

ACTION V: PETITIONING BANKRUPTCY COURT TO STOP COLLECTIONS AND CHALLENGE IRS CLAIM

This option is mentioned earlier, but deserves a specific explanation here. Whereas the other actions presented can be delayed by the IRS, the court, etc., as well as their effects on Notices of Levy, this action places an immediate freeze on all IRS collection action(s) upon filing. It requires all property taken previous to the filing to be returned to the petitioner (period set by state laws), and requires the IRS to prove their claim as any other creditor before the court. In addition to challenging the IRS collections, this action provides for challenging the assessment of a tax that led to the issuance of the Notice of Lien/Levy. The IRS's "proof of claim" is challenged when filed, the court is moved for an adversarial hearing. The casework that has been done through power-of-attorney, will contain the evidence needed to sustain this proceedings. Should tax returns be demanded by the court during this action, there are options for members who have determined that they have no such legal requirement.

Members who are interested in more information on this action, or would like to go ahead with it, should call the office and they will be directed to a paralegal who can prepare the suit or answer questions. This memorandum is part of our continuing effort to inform members of their legal options and reach our goal of restoring our Constitutionally-limited government, protected by a free and responsible citizenry.

THE ANTI-INJUNCTION ACT

Most members who have viewed our video series have a general idea about the Anti-Injunction Act, the law passed by Congress during the War Between the States which prevented courts of law from enjoining (stopping) the collection of federal taxes. What members might not be aware of is the current situation in courts of law around the country, on both State and Federal levels, to use this law for the wholesale dismissal of actions that in any way challenge the misapplication of the law by certain employees of Internal Revenue Service. The original intent and actual effect of this law is that it prevents a particular remedy at law that was enjoyed previously, that of Judicial Remedy regarding the collection of a tax. Therefore, it is important to note that the actions listed do not seek judicial remedy relating to a collection of a tax. They seek existing Administrative Remedy provided by law, whereby the agency in question (the Internal Revenue Service in this case), corrects its wrongful procedures on its own and stops damaging a person outside of law.

While this action does involve a court of law, the role of the court here is not to force the agency to stop collecting a tax, but simply to determine whether an actual misapplication of the law is taking place. The laws governing "abatement" of an alleged tax being assessed or collected wrongfully is already in place!

As an example, the law protecting citizens from wrongful "deficiency" assessments is the principle foundation upon which we seek Administrative Appeal through the letters sent in our Power-of-Attorney program. In theory, because Administrative Remedy exists in law for the agency to correct internal errors, there is little need (or proper jurisdiction) for a court to take judicial action and order the IRS to stop collecting a tax. The idea of delaying a court with issues best handled by the agency in question would then appear to be a waste of government resources expended in operating the court.

Does this mean that there is no method of seeking damages, so long as a court directs the IRS as to the proper existing Administrative Remedy to exercise in a person's case? Does this prevent subsequent court actions once the IRS has stopped their wrongful procedures? The potential subsequent actions against the individual Internal Revenue Service employees who had violated the law could be pursued and invoke the judicial authority of a court with regard to actions of the agent. Once the issue of potential tax revenues being collected is moot (the IRS having admitted out of court that they were proceeding wrongfully, and having ceased trying to collect a misapplied tax), an action can be pursued that seeks Judicial Remedy and damages. A memorandum of this type should serve to supplement our efforts of keeping members informed through the *Reasonable Action* Membership Newsletter, concerning the specific legal remedies that Save-A-Patriot Fellowship can assist members in seeking.

The actions made available by the Fellowship and its paralegal department should in no way be construed as attempting to evade the lawful assessment, collection, or payment of income taxes; at the same time, members are probably aware that this type of tax applies to foreign persons and entities to begin with.

CALLING THE FELLOWSHIP

For the sake of efficiency, it is imperative that new members learn to interface with the appropriate staff members, and that they do so at specifically designated times. A member who is unable to work within this structure reduces the effectiveness of the staff and increases the costs of overall operations for everyone.

GUIDELINE #1—WHEN TO CALL

- a) You may call your caseworker whenever you receive correspondence from the IRS that needs special instructions
- b) You may call a paralegal if a caseworker has first directed you to do so, and you intend to begin preparation of a law suit, if you are being levied or have a quiet title in process.
- c) You may call the order department to check on an order, for any of the publications, "vehicles" or tapes produced, generated by or otherwise available from the Fellowship, that is overdue.
- d) You may call during the times listed below.

PLEASE FORMULATE AND WRITE OUT YOUR QUESTIONS BEFORE CALLING THE FELLOWSHIP.

This increases our efficiency, saves a tremendous amount of time, and keeps the conversation focused and on point.

GUIDELINE #2—WHEN NOT TO CALL

- a) Please do not occupy staff time to answer technical questions about the law until you have studied pertinent issues of the *Reasonable Action* newsletter and, preferably, the SAPF audio or video tapes. If this material does not answer your questions, then you may request help in this area. You may fax you questions to 410-857-5249.
- b) You should not call any department of the fellowship outside of the guidelines LISTED IN THIS SECTION except for emergencies.

Paralegal—Telephone Conferences Monday through Friday, from 9 AM to 12 PM.

National Workers Rights Committee—Telephone Conferences weekdays from 10 AM to 1 PM.

Casework—Telephone Conferences Monday through Friday, from 9 AM to 5 PM. *Please refer to guideline #2(a) in this section before calling.

Fiduciary (John B. Kotmair, Jr.)—Telephone Conferences by appointment.

National Representative—(to be announced) Email: @save-a-patriot.org

Personal Visits SAPF HQ with John Kotmair—by appointment, request conference through our receptionist via telephone.

Appeals Conferences or Seminars with John Kotmair away from SAPF HQ—Schedule through our receptionist via telephone.

Billing Statements and Information—Call Accounting Assistant

Bookstore—Monday through Friday, from 9 AM to 5 PM. Call main number.

JUST THE FACTS (Consists of Video and Audio tapes and Document Book)

In order to promote accuracy, the Fellowship has produced a video entitled *Just The Facts*. It is undeniably the most accurate, comprehensive source of information in the constitutional movement with regard to taxes. The presentation consists of 6 video tapes. The topic of each video tape is listed below. These tapes represent 30 years of research and are technically accurate. They are an excellent introduction into the inner sanctum of IRS procedure and reveal (among other things) how the IRS manages to cover-up their misapplication of the taxing provisions by the use of phony computer entries and improper computer codes. The tapes are simple enough for the average person to understand yet comprehensive and detailed. Important points are emphasized with animation and graphics.

The tapes are packaged in a beautiful display case. This series is excellent for holding in-home seminars for local members or just explaining your position to friends and family. The tapes are available for 210 FRN's which includes shipping. Members can encourage the purchase of this video and explain the benefit of a proof of purchase (see below). An excellent 190 page reference book consisting of the exhibits and documents shown in the presentation is available for 30 FRN's. For convenience and to further enhance your studies, the entire presentation is also available on 8 audio cassette companion tapes. The cost for the audio tapes is 65 FRN's.

For the sake of truly understanding the issues that the fellowship address, it is recommended that the audio tapes NOT be used as a substitute for the video series, but rather, in conjunction with the videos. According to experts in learning theory, we all learn just a little differently. Some learn aurally [through the ear gate], some are tactile [through touch] learners, and some learn best through visual media. Whatever your learning style, the Fellowship now has a combination of tools that will employ synergy [the total effect is greater than the some of the parts], to get you up to speed in a hurry. You will be able to use these media to learn the entire body of information as quickly and efficiently as possible. Using these resources together will shorten your learning curve.

PROOF OF PURCHASE

Most of our members know, the government relies upon uneducated juries to move forward with willful failure cases. The knowledge and intent of any individual who is made the subject of wrongful prosecution, is kept from the jury lest the facts reveal the limited application of the law. The jury, being ignorant of the law, has no other alternative but to base its decision on emotion and/or presumption rather than on the facts that are suppressed by the court. However, "material" facts cannot be suppressed.

So... What are material facts and how are they established? The act of "purchasing" the SAPF video, and the act of "relying" upon the information contained within, are examples of material facts. The information presented in the video becomes material because it demonstrates the cause of the individuals belief. Therefore, should someone's "intent" ever be brought into question, the purchase of this SAPF video series may be more important than you think, especially if their "understanding" of the law developed from watching the tapes.

According to the Supreme Court in the Cheek decision, such information may not be withheld from a jury. If the video resulted in, or formed the basis of their belief then it is admissible as evidence in an action which questions their intent. Under these circumstances, "proof of purchase" may be extremely important. It can show, for example, that they were exposed to certain facts about the law and that those "facts" lead to further research, ultimately resulting in their determination that the law did not require them to file a return. If those "facts" reveal that the law does not require the filing of a return (under whatever application or circumstance they may be examining) then they are material and cannot be withheld from the jury - BUT - the individual must prove that they were exposed to those facts and the date on which they became aware of them, otherwise they could be suppressed. If they are unable to do so, the question could be raised that their behavior was merely negligent.

A "proof of purchase" can eliminate such contention, and substantiate the point in time on which their actions were based on fact rather than any negligent behavior, and it can substantiate the reasons for believing that the law does not require them to file. The facts in the video purchased on such and such a date, are a material demonstration of their knowledge of the facts and understanding at the time. The Fellowship can provide them with a "proof of purchase" in the form of a notarized affidavit which will confirm the date on which they received the information.

If a prospective member purchased a video and has not already received their affidavit, they should call us and we will prepare one for them at no charge. If they are in possession of an unauthorized copy, they should seriously consider obtaining a legitimate copy with proof of purchase.

PIERCING THE ILLUSION

Piercing the Illusion is a book written by the SAPF Fellowship's founder and fiduciary John Baptist Kotmair, Jr. It sets straight the history of how the United States of America, in practice, has gone from a Constitutional Republic to a democratic socialist state; from a Union of States to a federal nation. It lays out how the Founders and Framers, for the first time in the history of the world, created a government using God's plan for mankind, laying out a workable plan for the return thereto. Americans have lost their way and have grown ignorant of their own cultural, *Piercing the Illusion* will help them to find their way back.

REASONABLE ACTION NEWSLETTER

The *Reasonable Action* Newsletter is the method we use to communicate with members en masse. For that reason it is extremely important. When you become a member of the Fellowship, your membership fee includes 4 issues of the newsletter. ~~We automatically send you the last 3 issues in order to bring you up to speed and encourage you to study.~~ We will send you the next 4 issues as they come off the press. When the subscription expires the member will be billed for another 6 issues at the current rate.

The Fellowship publishes a newsletter every 2 months, however priorities do arise that can delay the printing. If you have a question as to whether you are up to-date with the latest issue, the SAPF switchboard operator can tell you the number of the most current issue so you may verify that you have received the latest.

The newsletters represent the most accurate information currently available in written form. It is advisable, if not imperative, that members obtain each of the back issues for study purposes. Issues that are currently available are listed in the most current issue of the *Reasonable Action* newsletter. If you have any comments or suggestions pertaining to the RA (articles, subjects to cover, personal research), please direct any communications to SAPF: Attn. Editor, *Reasonable Action* Newsletter.

THE FELLOWSHIP WEB SITE

The Fellowship maintains an Internet Web Site that can be accessed at the Internet address <http://www.save-a-patriot.org>. This Web Site contains numerous historical, legal and political facts and research links that should aid members in their education and recruitment efforts.

CHANGE OF ADDRESS

It is extremely important to notify the Fellowship if your address changes. The best way to accomplish this is to use your monthly statement. Just circle the address that is on the statement and mark it as incorrect. A forwarding address is good for 12 months. However, if you move and do not leave a forwarding address you will not get your statement. If this occurs, all issues of the newsletter and any work on your case file will be suspended until you notify the Fellowship of your change of address.

BILLING AND YOUR MONTHLY STATEMENT

Prompt payment is required—THE SAVE-A-PATRIOT FELLOWSHIP IS NOT A BUSINESS. THEREFORE THE PRICING STRUCTURE IS NOT PROFIT ORIENTED. IN ADDITION, THE COST ASSOCIATED WITH DOING WORK ON BEHALF OF MEMBERS IS VERY INTENSIVE.

Since time is usually a critical factor in any response to the IRS, the Fellowship will process a response immediately and absorb the cost up front until the member can reimburse the Fellowship. These circumstances make it essential that all statements be remitted within 30 days. If payment is not received within that period of time, your case worker will suspend work pending remittance of the balance due. Since a proper response to IRS correspondence is time sensitive in terms of preserving due process issues, non-payment or delayed payment of any balance due on your statement may have a detrimental effect on any case being developed on your behalf.

METHOD OF PAYMENT—

The Save-A-Patriot Fellowship does not do business with banks. Aside from the fact that the Federal Reserve Bank system is financially unsound, unstable and tends to corruption, we have found that the various banking establishments repeatedly refuse to obey the law.

By way of illustration—when a bank receives an IRS levy against a depositor it will typically turn over the funds and violate the individual's due process rights rather than insisting the IRS get a proper Court order. It seems that banks are more concerned about their favorable status with the Federal Reserve than they are about obeying the law. Therefore, as a matter of principle the Fellowship will not do business with banks, or for that matter anyone else who would violate the law or refuse to respect a persons rights to property and due process. Since the Fellowship does not bank or possess a checking account, payment must be tendered in FRN's (abbr. for Federal Reserve Accounting Unit Denominations, more popularly, but incorrectly referred to as dollars) or U.S. Postal money orders which can be obtained from any post office. If payment is made via Postal money order, the money order should be left TOTALLY blank, (payee and payor sections both TOTALLY blank), and the receipt retained for your records (if you keep any). To ensure proper credit either the monthly statement or a written explanation for the purpose of the funds must accompany your payment. Unless specifically identified, any funds forwarded to the Fellowship without the statement or explanation will be considered donations.

POWER-OF-ATTORNEY WORK

It is incumbent upon all members with cases in development to keep their case workers supplied with current Power-of-Attorney forms. These may be submitted along with your remittance when you pay your monthly statement or they may be forwarded directly to your case worker. The specific power-of-attorney that is necessary for corresponding with the IRS is valid for only a limited period of time (60 days). Therefore, you should keep a supply of blank forms on hand and forward notarized or witnessed originals as needed (obviously if you fill all of them out and send all of them to your caseworker, it will be necessary to have him/her generate another blank master for you to use. This wastes time and effort.

All power-of-attorney forms should be signed in visibly BLUE INK. The IRS often attempts to delay our investigation into wrongful procedure by contending that power-of-attorney forms signed in black ink are copies and not originals. If a power-of-attorney form is signed in visibly blue ink it alleviates any delay caused by IRS stall tactics.

CORRESPONDENCE TO THE FELLOWSHIP

All fellowship members need to understand the problems associated with the deluge of personal correspondence received by the Fellowship. Many people choose to write letters to the Fellowship and we do appreciate the many words of advice and wisdom within those letters. However, such correspondence should be limited to one-way messages. The Fellowship does not have a department to answer written letters from members. Therefore please do not expect a response to written questions. At some point in the future we may expand to include such a department but for now our resources are focused on correspondence between members and the IRS.

If you have any questions, they should be submitted by telephone according to the information listed under "when to call" and "when not to call" within the preceding section. Questions may be faxed anytime, however, it is very important that they be addressed to the proper party. One of our greatest concerns is the correspondence we receive from the maverick member who insists he knows it all and wants to re-invent the wheel. When someone writes to us and tells us they intend to drive over a cliff in a truck because they think its a good idea we feel obligated to straighten them out. We get more than a few of these letters, each one outlining a specific legal argument that someone wants to present to a Court. For us to address such correspondence properly we would need to perform a great deal of legal research and address each point in the letter. That can turn into a major project. Unfortunately we do not have the several weeks, nor the staff, necessary to devote to such matters. Such correspondence is counter-productive and, once again, we must ask all members to limit their letters to one-way messages or requests. If a member insists on discussing such subjects they should call via telephone since the interactive nature of conversation makes it a more efficient method of communicating.

SAPF & PDF MEMBERSHIPS

Below is a list of the basic differences between the Save-A-Patriot Fellowship (SAPF) and the Patriot Defense Fellowship (PDF):

Save-A-Patriot Fellowship (SAPF)

Initial membership fee to join for a full membership is 697 FRN's, 99 FRN's for an associate membership; annual renewal fees of 99 FRN's, and co-membership is 100 FRNs and available with full membership only;

- **Civil Coverage:** *Member Must be in Good Standing 6 Months Before any "Deficiency Notice". *Covers Real and/or Personal Property. Actual Market Value Maximum Claim -150,000.00 FRN's. *Member must prove they used every Court proceeding and delay tactic possible.
- **Criminal Coverage:** *Member Must be in Good Standing 6 Months Before any IRS criminal investigation, Grand Jury Indictment or U.S. Attorney Informational. Covers Incarceration Any Part of a Calendar Year is Treated as a Full Year. Claim - 25,000.00 FRN's. Member must prove they used every Court and Agency proceedings and delay tactics as possible.

Patriot Defense Fellowship (PDF)

Must be a SAPF Member before joining. Annual participation fee of 50 FRN's. Prosecutorial Coverage: *Member must be in good standing in BOTH Fellowships for 6 months before the IRS or any State C.I.D. has read claimant his/her rights and/or given notification that claimant is under investigation. Covers trial, and/if, any conviction appealed Claim - 10,000.00 FRN's (conviction) / 5,000.00(appeal) *Member must prove they used every Court and agency proceedings and delay tactics as possible. Note: PDF assessments are apportioned among PDF Members ONLY!

SAVE-A-PATRIOT FELLOWSHIP ASSOCIATE MEMBERSHIP PROGRAM

As a member of this program, you have access to all member benefits except casework, N.W.R.C., and/or paralegal services. Casework and/or paralegal services are absolutely necessary for any member communicating with the IRS through the fellowships Power-of-Attorney Services department. If you are a member needing these types of services immediately, you should upgrade to a "full" membership.

The Associate Membership includes:

1. Six (6) issues of the "Reasonable Action" Newsletter with the opportunity to renew your subscription as needed.

2. Consultations with John Kotnair (via telephone, or, in person when in Westminster), based on availability.
3. The ability to purchase IRS and other publications approved by SAPF.
4. A free subscription to "Audio News" (the daily SAPF audio newsletter) when you choose to participate in an optional, specially selected national 800# voice mail system. Highly recommended! Ask about it.
5. The privilege of faxing questions to SAPF headquarters, 24 hours a day, for a timely response. (For fastest response, the 800# voice mail system is recommended.)
6. The opportunity to become a "Associate" status Independent Representative (I.R.) and RECEIVE commissions by enrolling new members! ("Associate" status I.R.'s earn commissions only. "Full" status I.R.'s are qualified to earn commissions AND BONUSES!)
7. The right to purchase the "Revocation and Rescission Affidavit" and follow-up paperwork.
8. The right to file a claim for loss of property due to certain illegal IRS activities.
9. The opportunity to help others who have been injured due to certain illegal IRS activities.
10. A chance to show the world that you believe in the principles that made this country great! *** You may choose to participate with the many others around the country who are taking a stand or, simply by being a member, choose to support the Fellowship financially that we may continue in the fight for your family and ours. EVERY MEMBER HELPS!!*** Some of these services are available to non-members. This list was compiled because many members don't realize what they have available through the Fellowship.

Participation as a Save-A-Patriot Fellowship member is easy:

1. Pay your membership fee.
2. Pay your annual membership dues
3. Inform SAPF HQ of any important changes pertaining to your membership application.
4. Participate in the Member Assistance Program.
5. Let us help you MAKE A DIFFERENCE!!

PRO SE AND PROPRIA PERSONA LITIGANTS

Along with all of its complexities, the average person has no inkling of the intricate nature of the judicial process. For this reason, the Fellowship does not promote or encourage anyone to act on their own behalf in a court of law. Even if a member is well versed on the law and how it is applied, they may still wind up in a losing position if they are not familiar the rules of the Court.

For example, do you know how to introduce evidence that will be accepted as evidence in your case? If not, you are doing yourself a great injustice. Many people believe that the discovery phase of a case is where any and all evidence to be used in that case is shown to the opposing side and simply accepted as usable evidence. But the truth is, during discovery both sides in the case have the opportunity to introduce the evidence they are choosing to bring forward. The opposing attorney, at this time, has the opportunity to fight the introduction of that evidence, possibly stopping it from being used at all.

There is more to it than just having the facts go into the Court. You have to know all of the tactics and strategies that are used to manipulate the facts, and, avoid addressing the facts. It's a real-life high-power chess game. For example, most people have NO IDEA how the Rules of Evidence works. Let's say you need to get the *Just The Facts* videos into the courtroom as evidence in your case, John Kotnair (SAPF Fiduciary) would have to be subpoenaed to testify that he did, in fact, sign the proof-of-purchase affidavit that accompanied it and that it is him presenting the information that you were using. (You have

just been taught ONLY ONE of the myriad of tactics and strategies the Fellowship has for you to take advantage of as a member.)

You've got law. You've got facts. You've got rules. All three of them are involved separately and then they intertwine in the Court proceedings. It is imperative that people understand the service that SAPF provides its members from the understanding of these important facets of a case. As part of the services for our members, the Fellowship makes sure the member understands, and has, the correct evidence they might need someday, and, the means to make sure that evidence gets admitted into the Court.

EXAMPLE OF THE LEVEL OF SERVICE FROM SAPF—

Many people do not realize the service SAPF HQ gives them with membership. Take investigations. The average member has no idea what they are all about. First, SAPF HQ is getting the member the evidence they need to show that everything the IRS has done to them is false and fraudulent. Second, the member is getting documents that identify the individuals who are doing this so, those very individuals can be subpoenaed for the case. Although the member may not realize this service, the lawyers do! Should a member ever need one, SAPF HQ hands a member's lawyer the packet which contains their case papers. The lawyer finds that all their work has been done for them!

Some people think we are writing letters to make the IRS go away. Well, think about it. If the IRS decides to come after you, nothing is going to make them go away! People looking for the easy out are simply hoping to find someone who will take over their thought processes, relieve them of all responsibility and accountability, and assure them that the big, bad monster called the IRS, under the bed, is going to go away!

The Constitution is the Supreme Law of the land and its laws are written. Republic means a Republic in a REPRESENTATIVE GOVERNMENT. WHEN YOU HAVE A SUPREME LAW THAT IS WRITTEN, THAT MEANS THAT THE REPRESENTATIVES ARE BOUND BY THAT, therefore all of our laws are written. Many people say, "show me where in the Code the law states that I don't have to pay an income tax." Law doesn't work that way. Laws are written to whom they apply, not the other way around. In other words, YOU WON'T FIND IT! These people are either ignorant of how the law is written or they are simply looking for the easy way out with a "seal of approval."

Many people come to the Fellowship after they have been exposed to and gone through some of the "theory mills" around the country and are very disappointed to find that we cannot help them. When someone uses an argument such as "I am a non-resident alien.", it doesn't get tossed aside. The argument shows ignorance of the law and ignorance of jurisdiction.

The IRS holds on to information such as this and saves it for a rainy day. The ignorant patriot walks happily along until he finds out he has no protection from the thunderstorm! If the IRS has NOT gone after one of these folks criminally, the best advice they could receive is to write a letter to the appropriate agencies and tell them that they were in error, that they were misled by someone that had convinced them of something that they now know to be untrue. They should do it as soon as possible and before they do anything else to destroy any chance they have of being brought up on a criminal case of willful intent by FRAUD.

Just in case someone asks, the Affidavit of Revocation and Rescission from the Fellowship is NOT ENOUGH to offset or negate the previous actions mentioned. Even if someone does not join the Fellowship, they need to watch the video series! Every member can help someone from being led down a primrose path.

Read what some of our members have written concerning the work done for them at the Fellowship:

Tom Brissey—*When I get depressed I pull out a few letters written by the Fellowship. The quality work and lawful, on point responses pick my spirits up.*

Mike Maddox—*Without the Fellowship I would have gone down the tube two years ago.*

DEFINITIONS

Member—Any person 18 or above who has read the application, agrees with it and signs, acknowledging their agreement and pays the limited amount required for the membership they are joining.

Member In Good Standing—A associate or full member that has paid his assessments and is current with any other billing for work done for them by the Fellowship.

Staffer—Any person who works directly with the Fellowship Headquarters.

Casework—Paperwork done for a member to establish prima facie evidence that a member is not a "Tax Protester" and is not "willful" should they discover and choose to act on the fact that they have no filing requirement with the IRS.

Main Program Agreement—Agreement with the basic concepts that all agencies of the government must obey the written law. That while taxes are needed to fund government, only lawful taxes are expected to be paid.

FRN—Federal Reserve Notes (erroneously referred to as Dollars)

Blank U.S. Postal Money Order—A money order purchased from a United States Post Office, sent as is, without filing in the to or from areas of the money order.

Industrial Activity Codes—Simply say the source of the income. The only IAC's that can be entered are for excise, partnerships, and employment taxes. They are the only codes authorized. Other than employment taxes, everything else goes back to ATF. To keep the IRS investigation going, the examiner just punches in a "multiple choice" code.

Independent Representative—A associate or full member in good standing who has passed an the IR Preliminary Certifying Exam issued by the National Representative and signed an IR Policy Agreement. These are our front line members, as they usually draw the most attention to themselves due to their activities related to spreading the truth!

The Save-A-Patriot Fellowship - "Where Liberty Comes First!"

Will The Save-A-Patriot Fellowship Exist In October '95??

Only with Your Cooperation!!

Every summer for some reason in the middle of June the members put off paying normal Fellowship fees for services that the Fellowship performed for them. In the past we just barely got by until the middle of September when the receipts picked up. But as the Fellowship grows, there is a need for more employees, more equipment, more office space, more office supplies and generally there is more overhead. In addition to that, unlike a normal business, the Fellowship has the added expense of defensive and offensive legal actions against the never ending attacks by state and federal bureaucracies.

To further our goals and enhance our public image, the Fellowship took on the additional expense of the weekly sponsorship of the number one rated talk show host in the Baltimore area, Zoh Hieronimus. Not only has this defused the Internal Revenue Service's efforts to smear us with invective, it has been dramatically successful in spreading the truth about the law and increasing the membership. There are signs that jurors in this area will no longer be the ignorant tool of the enemies of Liberty. Zoh is one of the most dedicated Patriots I know, unselfishly putting herself in harms way to get the truth to the uninformed public. She plans to syndicate soon, at which time our message will spread to other areas of the country as well, but

Exhibit 2

only with your concerted help. Remember this is your Fellowship and only you can make it work.

Your constant attention and support are necessary if we are to survive. If this support stops, even for a moment, as it normally does this time of the year, we will not be able to exist. Therefore, we beseech you to make every effort to keep current. If you do not reimburse the Fellowship promptly, then the next time you seek our help, your mail might be returned, or you might get a message that our telephones have been disconnected.

We are not alarmists, and do not ordinarily ask for financial assistance, but time is short and the need is great. As you are aware, there are those in Washington, marching to the tune of world government, trying to sweep 82 years of tax fraud under the carpet with more fraud called "alternative taxation." Therefore, if you appreciate our efforts, and can afford to send additional funds, **Please Do So!!! IF YOU DO, WE WILL BE HERE FOR YOU IN OCTOBER '95.**

PS.

For those who have been patiently waiting for the new video production, *Just The Facts*, we have good news — next week we start putting the finishing touches on the sixth and last video cassette. Because Murphy's Law has plagued us, we dare not predict a date. But for those who already purchased it, start watching your mail; and for those who are waiting to purchase it, watch for the special announcement in the *Reasonable Action* newsletter. If you do not subscribe to *Reasonable Action*, do so today!!

Save-A-Patriot

PO Box 91 Westminster, Maryland 21158

Telephone: (410) 857-4441

Dear Member,

We are excited to announce the completion and full implementation of our long-awaited monthly billing system. If you have ever used the services of our power of attorney or paralegal departments then you are already familiar with the first part of this billing system. If you have not used these services and are receiving a monthly statement for the first time, then please examine the statement and familiarize yourself with its content.

This statement is slightly different than the ones we've sent in the past because we've now integrated the "*monthly billing system*" with the "*assistance assessment program*." The "*monthly billing system*" gives members a convenient statement that lists the work we have done on their behalf and the corresponding reimbursement that is due as well as any membership renewal fees, while the "*assistance assessment program*" helps specific members who have been hurt by wrongful IRS collection procedures. As important as the monthly billing system may be to the financial strength of your Fellowship, the assistance program is still the heart of the Fellowship. That's because our success depends largely on how fast we can respond to a member's loss. It also depends on your determination to help that member and our ability to provide the logistical support. With over ten years of experience to draw from, we became well acquainted with the many painful shortcomings of an annual assessment system. We recognized early on what needed to be done and proceeded to design a better system as quickly as resources would permit. Our goal has always been to provide the most responsive service possible.

After much intensive design and integration efforts, we have finally completed the task. Our new monthly services and assessments billing will provide three enormous improvements:

1. The Fellowship will be able to respond almost immediately to the needs of those members who have been hurt by wrongful IRS collection procedures;
2. Our members will be able to reimburse these amounts in much smaller bites rather than having to deal with one large annual assessment; and
3. Because of the convenience and relatively small size of a regular monthly assessment, we anticipate much higher participation rates so the damaged member will receive the maximum reimbursement possible.

We would now like to address some specific aspects of the assistance program as well as give you a brief summary of its history.

Until now, when a member had been financially harmed we put the member's request for assistance with the next batch of requests to be processed. Then we compiled and sent a summary of these requests to all members. We told you who needed help and the amount of each member's apportioned share. The amounts typically ranged from a few FRNs up to as much as 25 FRNs. The mechanics involved in validating claims, sending out assistance notices, and other administrative tasks has, until now, been limited to a once-a-year project. Unfortunately, this was sometimes a case of too-little-too-late. When a member needs help they need it now, not six months, or more, from now. As important as this program is, we simply lacked the resources to process requests more than once a year.

As the Fellowship has grown and improved, our success rate has also improved. As a result, the number of requests for assistance has been reduced. Five years ago, for example, a typical total annual assessment was over 600 FRNs to reimburse the losses incurred by as many as 30 members. Last year we had only about 10 members needing assistance and the total assessed amount was only 100 FRNs—a rather dramatic reduction by any standard. To handle increased membership, hire more case workers, and provide more extensive legal and paralegal services, the Fellowship's operating costs increased proportionally. However, we were not prepared for the cash flow problem which resulted from our lack of an efficient billing system. Without an efficient system to track reimbursements due and provide a more convenient method for payment, the Fellowship came dangerously close to running out of operating capital. The billing system we instituted just a year ago and your response to it prevented such a catastrophe. Thanks to you, we have alleviated most of our cash flow problems. And by solving that problem we proceeded to solve another one.

Our increased resources have allowed us to expand the monthly statement concept so that it can be sent to all members, including those who are not currently utilizing the Fellowship's power of attorney and paralegal services. By sending a monthly statement to every member, we can include requests for assistance as soon as they've been validated. That means the member who needs help gets it almost immediately. Furthermore, since the requests are made monthly the amounts are much more affordable. Using last year's statistics, it appears the monthly assistance requests will average no more than about 10 FRNs, give or take a few. We believe these amounts are not only affordable, but represent one of the best investments one can make in pursuit of liberty.

Please see the back of your monthly statement for detailed instructions. If you have any questions, don't hesitate to call. Again, thank you for your support.

SAVE-A-PATRIOT FELLOWSHIP - RENEWAL REMINDER

P.O. BOX 91 WESTMINSTER, MD 21158

[REDACTED]

11/15/96

[REDACTED]

As of this date, we have not received your annual membership renewal fee of 70.00 FRNs. If you do not renew within 60 days of your renewal date it may effect your eligibility for assistance under the member assistance program. If your renewal fee has already been mailed, please disregard this notice. If not, you should mail it immediately to maintain your eligibility for assistance.

You should make your payment with cash (FRNs) or a totally blank U.S. Postal Money Order (leave both payor and payee sides blank) and send it to the address above. Please do not call the office to verify receipt. If you wish to guarantee receipt then send your renewal via certified mail marked "receipt requested".

If you plan on renewing but have not yet done so, please notify us in writing immediately. If you are having financial difficulty, it is especially important that you let us know so that we can try to make arrangements to accomodate you.

When you renew, please check the following for accuracy and return this form with your payment and any corrections.

Members Name and Address:

Beneficiariës Name and Address:

[REDACTED]

[REDACTED]

Home Telephone : (813) 426-6411 Home Telephone : (000) 000-0000
Daytime Telephone: (000) 000-0000 Daytime Telephone : (000) 000-0000
FAX if applicable: (000) 000-0000
Membership number: D-6526-1 Membership Exp Date: 8/19/96

Remember, the only way we can prevent the government from infringing on our rights is to assist one another. Your continued support is important.

Please note: Subscription to the newsletter is billed separately. If you do not subscribe to the newsletter but would like more information, please contact the Fellowship.

Please give this notice your immediate attention.

Yours in and for liberty,
SAPF Administration

F1

34287-0000

Monthly Statement for 6526: [REDACTED]

Balance due as of: 9/30/96
Membership Renewal: 8/19/96

Reference	Documentation	Amount	Other	Date	Less
	Subtotals:	+ 0.00	+ 0.00	/ /	- 0.00
	Renewal :		70.00	8/19/96	
	Total Due:		70.00	/ /	

Your membership renewal was due on: 8/19/96

Please Note: Additional envelopes may be enclosed for the purpose of rendering assistance to members who have lost property to the IRS. For instructions on how to fulfill your obligations under the assistance assessment part of your membership agreement, please see the reverse side of this statement. If the balance due (above) is 0.00 FRNs then you have been sent this statement for the sole purpose of helping specific members. If not, then the amounts shown represent your share of the Fellowships expenses up to approximately 9/20/96. Please remit payment within 30 days. If you have already forwarded payment for any given item then you should make an appropriate notation on this statement before returning it with the amount due. This will help to ensure that proper credit was applied.

**PLEASE RETURN THIS STATEMENT TO S.A.P.
EVEN WHEN NO BALANCE IS DUE**
(see the reverse side for balance due)

Instructions For Processing Assistance Requests

Please don't confuse your *monthly statement* (reverse side) with the *requests for assistance*. The statement should be returned directly to S.A.P., along with any amounts due, in the appropriate envelope. The other envelopes (if there are any others enclosed) are addressed to the members who have qualified for and requested assistance.

The envelopes to members are pre-addressed to make it easy for you to forward the correct amounts to the correct location. Immediately to the right of the member's name you will find a number enclosed in parenthesis. This number represents the amount of your apportioned share of the member's loss. Please enclose the proper number of FRNs in the envelope, put a stamp on it and mail it within 10 days. Suggestion: It is much easier and cheaper (considering the cost of postal money orders) to enclose plain old FRNs. The amounts are usually small enough that this poses no problem. If you would feel more comfortable sending a U.S. Postal Money Order and retaining the receipt, you are certainly welcome to do so. It really is a matter of choice. Most of our veteran members send cash rather than making a special trip to the post office.

Above the return address in the upper left corner of the envelope there is a dotted line. You must write your S.A.P. membership number on this line to receive credit for rendering assistance to this member. The member who receives your assistance collects the envelopes and forwards them to S.A.P. We in turn keep track of all responses and keep a record of them in case any doubt arises whether a member has responded properly to the assessment requests. Please keep in mind what these members have been through and how much they are counting on you!

In the space provided below, please record the date(s) on which you mailed your envelopes to the member(s) requesting assistance before returning your statement to S.A.P.

If you have any questions about these instructions please call the Fellowship at (410) 857-4441.

On or about _____ I/we enclosed the amounts listed and mailed the envelopes to the members who have requested assistance.

My membership number is _____. Please make a record of this payment and notify me if it is not received by the member who has requested assistance.

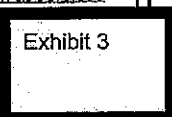
**PLEASE RETURN THIS STATEMENT TO S.A.P.
EVEN WHEN NO BALANCE IS DUE**

Membership Enrollment and Joining Form for the...



*Since 1984 - A First Amendment Association
National Headquarters: Westminster, Maryland*

MEMBERSHIPS AVAILABLE <i>Two Levels</i> A General Comparison and Overview	
<p><u>ASSOCIATE MEMBERSHIP</u></p> <p>\$99 FRNs One-Time \$99 Yearly Renewal</p>	<p><u>FULL MEMBERSHIP</u></p> <p>\$697 FRNs One-Time \$99 Yearly Renewal add Co-Full Memberships for \$100 FRNs</p>
<p>Education and Fellowship: For those wishing to join with others, avail themselves of the opportunity to receive the finest "adult education" currently available with regards to our constitutional heritage, including a thorough and accurate analysis of the limited liability of the U.S. citizen for internal domestic taxation.</p>	<p>Education and Fellowship: For those wishing to join with others, avail themselves of the opportunity to receive the finest "adult education" currently available with regards to our constitutional heritage, including a thorough and accurate analysis of the limited liability of the U.S. citizen for internal domestic taxation.</p>
<p>Protection: Associate Members participate in the insurance-like financial protection plan to assist members who have suffered loss civilly or criminally due to IRS or state taxing agency abuse. The only program like it in existence!</p>	<p>Protection: Providing its eligible Full Members who have suffered loss civilly or criminally due to IRS or state taxing agency abuse insurance-like financial compensation in order to Save-A-Patriot! The only program like it in existence!</p>
<p>Assistance: Access to fellowship headquarters and assistance in preparing some legal vehicles.</p> <p style="text-align: center;">➔ <u>Further detailed explanation on the benefits of Associate Membership</u></p>	<p>Legal Assistance: Access to fellowship staff paralegals, and caseworkers for those needing assistance in responding properly to a Notice of Deficiency, Lien, Levy or Seizure, or to other correspondence received from the Internal Revenue Service or state taxing agency; or with any other tax related issue requiring assistance. <u>View the Fellowship Staffing and Organizational flow chart for Fellowship a look at services and various departments.</u></p> <p style="text-align: center;">➔ <u>Further detailed explanation of the benefits of Full Membership</u></p>



If you need to learn more about the History, Mission, and Purpose
of the Save-A-Patriot Fellowship before joining [click here](#).

**Further Explanation of Fellowship Services and Benefits
Available to Joining Members
A Detailed Comparison**

➔ **ASSOCIATE MEMBERSHIP [Limited Services Provided]**

- \$99 Associate Membership - initial joining fee.
- \$99 Annual Membership Renewal - yearly renewal fee per member (invoiced on anniversary of joining date).

Benefits of the Associate Membership:

- Affidavit of Revocation and Rescission - member eligible to purchase this vehicle from the Fellowship Bookstore. Notice Secretary of the Treasury to revoke Social Security Admin. Form SS-5 "Application For Social Security Account Number 2 follow-up letters sent.
- Member Assistance Program - Insurance-like Protection: After the 6 months member in good standing clause has been the member is eligible for the Members Assistance Program [upgrade to Full Membership is required prior to submitting claim - see Program Agreement link below for further conditions]. Civil coverage compensates a member up to \$150,000 for property illegally confiscated by IRS. Criminal coverage pays beneficiary listed on Fellowship Program Agreement. \$25,000 per year if member is incarcerated. Each member assessed less than \$20 average per month to assist damaged fellow members. **Civil and Criminal coverage could be substantially higher under the newly implemented Victory Express** - see our Plunder Protection page for more information!
- 4-Issue Subscription to "Reasonable Action" members-only newsletter (4 issues/year - back issues available since 1987)
- Access to Headquarters Staff via phone, mail, fax & 800# interactive voice mail - questions answered based on the law.
- Access to the Patriot Defense Fund - \$50 annual fee reimburses member \$10,000 for cost of legal defense in a criminal trial and \$5,000 per appeal if convicted.
- Access To Fellowship Bookstore - purchase videos, cassettes, books, IRS code, Treasury Dept. regulations, past issues the members only publication Reasonable Action, etc.

➔ **FULL MEMBERSHIP [Full Services Provided]**

- \$697 **Full Master Membership** - initial joining fee for first membership in a given household.
- \$100 Co-Membership - initial joining fee for spouse and/or additional memberships in same household.
- \$99 Annual Membership Renewal - yearly renewal fee per member (invoiced on anniversary of joining date).

Benefits of the Full Membership:

- Affidavit of Revocation and Rescission - member eligible to purchase from Fellowship Bookstore. Notice to Secretary of Treasury to revoke Social Security Admin. Form SS-5 "Application For Social Security Account Number" - 2 follow-up letters sent.
- Member Assistance Program - Insurance-like Protection: After the 6 months member in good standing clause has been the member is eligible for the Members Assistance Program [Full Membership is required prior to submitting a claim - see Program Agreement link below for further conditions]. Civil coverage compensates a member up to \$150,000 for property illegally confiscated by IRS. Criminal coverage pays beneficiary listed on Fellowship Program Agreement. \$25,000 per year if member is incarcerated. Each member assessed less than \$20 average per month to assist damaged fellow members **Civil and Criminal coverage could be substantially higher under the newly implemented Victory Express** - see our Plunder Protection page for more information!
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- Access to Headquarters Staff via phone, mail, fax & 800# interactive voice mail - questions answered based on the law.

- Access To Fellowship Bookstore - purchase videos, cassettes, books, IRS code, Treasury Dept. regulations, etc.
- Member Handbook - 3-ring binder provides extensive overview of Fellowship benefits and services, and how to communicate with fellowship staff and headquarters.
- Access to Patriot Defense Fund - \$50 annual fee reimburses member \$10,000 for cost of legal defense in a criminal tax trial and \$5,000 per appeal if convicted.
- Case Development - Upon request of Member, power of attorney given to Fellowship case worker assigned (available by phone or fax Monday-Friday 9-5PM EST) to answer IRS correspondence based on the law.
- National Workers Rights Committee - assistance to member in stopping withholding of taxes in the workplace.
- Full Paralegal Services - some state taxation issues, filing of court motions, criminal investigation, bankruptcy.

You Can Join Right Now!

Download the Membership Program Agreement



To join the Save-A-Patriot Fellowship please download a **Membership Program Agreement**. Please note: *In order to read and print this file your computer requires that you have Adobe Acrobat Reader installed. If you do not have the free software click on the "Get Acrobat Reader" image to find the program download page. If you have trouble downloading the application you may need the latest version of Acrobat Reader.*



...or you may request a Membership Application by mail:

Send a self-addressed, stamped envelope for a copy of the Save-A-Patriot Fellowship Program Agreement to:

Tax Freedom 101
12 Carroll Street - Suite 149C
Westminster Maryland 21157

Enrollment Procedure:

1. Fill out the Save-A-Patriot Fellowship Program Agreement first. If you have any questions regarding the application contact us.
2. Enclose payment as prescribed in the agreement and send funds certified mail return receipt requested to the address indicated on the agreement.



We no longer accept Credit Cards for payment for membership via the internet because under the USA "P.A.T.R.I.O.T." Act we can not assure that your privacy will be maintained by merchant accounts. If you would like to use a major credit card, please obtain a cash advance and then visit any United States Postal Center to obtain a certified USPS postal money order in the amount of the order. Post offices accept payment for Postal Money Orders using cash and debit cards. Retain the postal money order receipt for your records and send orders USPS certified mail return receipt requested. More detail and directions available here.

Questions? Call:
877-285-2104

Further Membership Details

FULL MASTER MEMBERSHIP: A one-time payment of F\$697 is required for a Full Master Membership. This is a legal defense and support membership which provides access to the Case Development Department (member is assigned a personal case worker to respond under Power of Attorney to correspondence received by the member from the IRS, to make Freedom of Information Act and Privacy Act requests, and other case development work), Paralegal Department assistance (court filings and motions, bankruptcy to stay IRS collection actions, etc.), and access to the National Worker's Rights Committee (assists member with employment related issues such as stopping withholding in the workplace, with state tax issues and with criminal investigations).

MEMBERSHIP ENROLLMENT: Members are enrolled into the Fellowship by exam-certified Independent Representatives. An enrollment commission is retained by the enrolling IR. Many IR's support their families part or full-time through their educational/enrollment activities. An SAPF member in good standing can enroll others into the fellowship and retain a substantial commission for doing so once they have met the criteria of fellowship headquarters.

MEMBERSHIP ID NUMBER: Within a short period from receipt of an application for membership at Fellowship headquarters, the newly accepted member's original, signed application will be returned directly to the member with an assigned membership number written on it, indicating formal acceptance into the Fellowship and eligibility to immediately access appropriate Fellowship services.

A new member does not have to wait for his or her Membership ID no. to be assigned in order to contact headquarters and request services or assistance. For this reason, if a member requires case development work, this may be started immediately (see "Your Case Worker" below).

Please note: No membership lists or copies of application(s) are kept at Fellowship headquarters in order to fully protect the privacy of the membership. All records are kept at undisclosed, redundant off site locations. Likewise, the Fellowship does not make its membership list available to any other party under any circumstances.

CO-MEMBERSHIP: Available under a Full Membership only, additional members of the same household age 18 or over and residing at the same physical address (spouse, adult child, parent or other family member) may join as a Co-Member at the same time as the Master Full Member or at any time in the future by filling out a Fellowship Program Agreement and enclosing a payment of F\$100.

MEMBERSHIP RENEWALS: A payment of F\$99 per member is required each year to renew each separate membership (whether Associate, Full, or Co-Member) and will be billed to the member on the anniversary date of his or her enrollment.

Benefits of Membership

THE AFFIDAVIT OF REVOCATION AND RESCISSION: (to revoke the SS-5 application which resulted in a Social Security Number Account being established) is available to members as are all materials available through the Fellowship Bookstore, including all back issues of "RA", which members are highly encouraged to purchase and study (see the back pages of any recent issue of RA for a current listing of available materials).

MEMBERSHIP NEWSLETTER: The Fellowship publishes an outstanding quarterly newsletter called Reasonable Action (RA) which is available to members only and is a masterpiece of legal analysis and commentary regarding Title 26 (Internal Revenue Code) and IRS regulations, as well as numerous insightful articles dealing with taxation and other issues of concern to members.

A four-issue subscription is included with each Associate and Full Membership and can be renewed annually for F\$35 six additional issues (see mailing label for issue of expiration).

The RA is offset printed by Fellowship staffers in-house, so back issues are usually available. Past RA's are an absolutely indispensable addition to the member's knowledge base and should be studied as part of his or her ongoing education as to the IRS' routine misapplication and violation of the law.

PATRIOT DEFENSE FUND: SAPF also offers a separate Patriot Defense Fund (PDF) - a "fellowship within a fellowship" to defray the cost of defending in a criminal tax trial (F\$10,000) or appealing a conviction (F\$5,000). One must first be a member in good standing of the SAPF to be eligible to join the PDF. Please refer to the PDF membership applications for full details.

<http://www.txfreedm101.com/pages/memberships.htm>

5/4/20

These powerful, mutual "protection" programs go a long way towards removing the fear of asserting one's rights in the face of increasingly oppressive taxing authorities. With the financial threat of asserting one's liberty thereby removed by spreading the reimbursement costs among all members, "closet" Patriots are joining the Fellowship in droves.

TELEPHONE CONSULTATION: John Kotmair takes telephone calls from both members and the general public. John is available for in-person appointments in his office at the Fellowship's Westminster, Maryland headquarters.

CASE DEVELOPMENT UNDER POWER OF ATTORNEY: A Full Member has the option of giving Power of Attorney (POA) to Fellowship founder and fiduciary, John Kotmair, and most members do. As soon as the new Member's application for membership has been received at Fellowship headquarters, s/he should call the Fellowship to obtain the name of his/her caseworker. This person will be available to answer the member's questions regarding any correspondence received by the member from the IRS.

Under no circumstances will the caseworker provide legal or other tax advice, however s/he will gladly review the member's available options under the law and explain what other members have done in similar circumstances.

Case development is managed under the POA program, where the member's due process rights are asserted by exhausting all the member's available due process rights and administrative remedies by timely responding to all IRS letters, rebutting incorrect presumptions, putting IRS on legal notice of the misapplication of their own code resulting in wrongful procedure against the member, etc.

Under POA, a copy of all IRS correspondence received by the member is immediately forwarded to his or her caseworker, including a copy of the front face of the envelope that it arrived in. **NEVER, EVER SEND ORIGINAL IRS DOCUMENTS TO THE FELLOWSHIP!**

The caseworker prepares the proper legal "vehicle" (reply correspondence) on the member's behalf and forwards it to the IRS certified mail, return receipt requested. A copy of this letter is sent to the member with an invoice for the service performed (see "Payments" below).

The caseworker will forward a customized POA form. The original POA form must be retained by the member and copied from needed (do not use the original). POA's must be signed in visibly blue ink only (light blue is preferable) as the IRS will claim that POA's signed in black ink may be copies (when clearly they are not - a tiresome but predictable delaying tactic).

The IRS refuses to honor POA's that are over sixty (60) days old, therefore the member under case development must forward to her caseworker three (3) current, signed and notarized or co-witnessed POA's at least every forty-five (45) days.

More on the [Power-Of-Attorney program](#).

NATIONAL WORKERS RIGHTS COMMITTEE: The National Workers Rights Committee (NWRC) division will prepare letters on behalf of a member with regard to, among other issues, stopping the withholding of income and employment taxes in the workplace.

PARALEGAL WORK: In the event a member should need court motions or other legal actions instituted, SAPF's paralegal department will prepare the proper documents for a reasonable fee. This department also assists members in state tax issues. [a list of litigation services click here](#).

"VEHICLES": Letters generated by SAPF on behalf of members are called "vehicles" which may be responses to correspondence received by the member from the IRS or may be actions the member him/herself initiates. Each vehicle is reviewed by several levels of highly trained SAPF staff for legal and grammatical accuracy. Since vehicles are generated on the member's behalf in a timely manner upon request, with value being thereby advanced to the member prior to their being billed SAPF services, the following timely payment options are offered to keep the Fellowship financially healthy.

PAYMENTS FOR SERVICES AND MATERIALS: Since the Fellowship will not do business with known lawbreakers such as bankers who routinely violate the law when they turn their customers' records and monies (i.e., private property) over to the tax agencies, and to safeguard the financial privacy of all members, all payments to the Fellowship must be made by totally BLANK U.S. Postal Money Orders ONLY (with payor and payee areas left completely blank).

Notes may be made on the receipt after having separated it from the money order itself (top page), and kept for one's records. NOTE: money orders from banks or convenience stores are not accepted.

All payments must be sent to SAPF via certified mail with green card return receipt requested. The postal service has an intern procedure to trace and replace lost or missing money orders. Send cash (FRN's) through the mail at your own risk.

A minimal charge is assessed for the preparation of legal vehicles [ask your assigned caseworker for fee arrangement]. **Import Note:** case work will be suspended during any period of delinquency in making payments for SAPF services which have already been performed.

RECORD KEEPING: It is the member's responsibility to keep good records. All membership documents including (but not limit to) the original membership application; the originals of all IRS and and/or state taxing authority letters received by the member SAPF letters generated under POA on the member's behalf; all SAPF invoices and proofs of payment of same; all postal service certified mailing receipts, and; all books and videos purchased by the member must be kept by you in a safe and secure place. protect the member's privacy, no records are maintained by the Fellowship. Therefore, the emphasis on good filing and record keeping on the part of the member cannot be overemphasized!

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Low cost, no advertising, no spam, and reliable. Access mail from
your email client program [Eudora, Outlook, Pegasus, etc.], or remotely
through a WebMail compliant browser. Further details [click here](#).

INFORMATION:

- I Formally Announce My Resignation from the Wealth Redistribution League!

Explanation of the Affidavit of Revocation and Rescission Process to Quit Social Security

by [Bryan Rusch](#), Financial Educator and Independent Representative for the [Save-A-Patriot Fellowship](#)

A Little Q & A to Get Warmed Up

Question: Why the affidavit of revocation and rescission process to quit Social Security?

Answer: We are going to address the issue of quitting Social Security in a moment. First, there are many statements or questions that we hear which are related. We would like to clear up some misunderstandings by responding to the following common questions and statements. By doing this it will also add clarity to the answer of the revocation and rescission process.

Question: How do I get rid of my Social Security Number?

Answer: The number isn't "yours" it's theirs [the government's], they assigned a Social Security Account Number to you at your, your legal guardian, or natural or adoptive parents formal request. The request for an SSN was made on the SS 5 application for Social Security and Tax Account Number.

Question: Can I get all my money back that I paid into Social Security?

Answer: No, not unless you apply for benefits and then meet the terms of eligibility. Even then there is no guarantee that you will get it all back. Remember that Social Security is merely a political promise. Congress could vote to end Social Security if they so desired, and there would be no recourse for those who have participated and already paid in. In today's culture it would be political suicide for a politician to end the grand daddy of entitlement benefits, therefore it is unlikely that this cash cow for the government is going anywhere anytime soon, even if the reports continue to point to Social Security's insolvency. If you like to gamble you can continue to throw 30% or more of your earnings into this black hole, then reach down inside to see what is left when you do meet eligibility.

Question: Do I have to quit Social Security to stop paying the income tax?

Answer: No. Income taxes are not connected to the wage and employment tax [SS tax], they are completely separate. The income tax is mandatory, but limited in its application and to whom it applies. The Social Security tax is voluntary, and you can decide to participate one quarter and not the next. However for you to become vested in SS, it will require you sending in those largely inapplicable 1040's with your SSN, name and earnings information signed under the penalties of perjury.

Question: If I stop filing returns now, and do not quit Social Security can I collect the benefits when I'm ready to retire?

Answer: Maybe. This depends on if you can meet Social Security's eligibility requirements, do not have a levy attached to your account at the time you apply, and of course that is if there is any money to be had in the Social Security "Trust" fund when you are ready to retire. All the money in the SS Trust Fund is already spent at the beginning of each fiscal year, and having a key to the "lock box" won't help. Sorry I couldn't resist.

Question: Can I collect on Medicare and Medicaid benefits if I quit Social Security?

Answer: If you really quit you have no right or entitlement to any Social Welfare programs. You will have to do it the old fashion way. Pay for it yourself.

Question: Should I quit Social Security?

Answer: That depends on a number of situations. Is it economically wise for you to quit at your present age? What your religious beliefs are and have to say about being numbered, and stealing from your neighbors. Do you believe you, your family, and/or community can provide for yourselves? Do you mind continually throwing away thirty percent or more by continuing to participant in SS and hence growing the government sow? There may be more situations but those were the biggies.

Revisiting the First Question

Now let's get back to the main question. Why the affidavit of revocation and rescission process to quit Social Security? In the question you might be asking, what exactly is being revoked and rescinded? The short answer is the application SS-5 is being revoked by your formal declaration of rescinding the signature on the application.

The affidavit is your personal declaration and understanding that something was done (the application process) under certain pretenses that were thought to be mandatory at the time, and now you understand that it was done in error, and that the error which occurred was a result of constructive fraud. We still have not found anyone who has applied for a government number yet who knew exactly what the ramifications were prior, although I'm sure there are some out there who knew.

Constructive fraud is defined as the following: constructive fraud - n. when the circumstances show that someone's actions give him/her an unfair advantage over another by unfair means (lying to or deliberately obfuscating the truth about a citizen's lawful requirements and duties under the law or promoting unnecessary actions to be taken by the citizen to achieve an unfair affect, for example), the court/jury/people may decide from the methods used and the result, that it should treat the situation as if there was actual fraud even if all the technical elements of fraud have not been proven.

Defining the word "constructive" may also help. **Constructive**, adj. a legal fiction for treating a situation as if it were actually so. Some examples help to clarify this term:

a) although there is no written law requiring participation in Social Security for citizens of the 50 states of the Union, Social Security has enacted programs [Enumeration at Birth Program] and given incentives and instructions to hospitals to coerce parents into numbering their children at birth.

b) although there is no written law requiring participation in Social Security for citizens of the 50 states of the Union, the states have made requirements upon the people to be numbered in order to travel, renew occupational licenses, give blood, etc.

c) although Social Security repeatedly reports there is no law requiring participation in Social Security for citizens to live and work in the United States, the United States Congress, and the Internal Revenue Service, by deceptive and misleading words and statements in the Internal Revenue Code, as well as IRS publications and generated news articles have repeatedly deceived the general public into believing that a citizen is required to have a Social Security number to live and work in the United States, and hence they must file returns on their domestic source earnings.

d) although the written law is clear as to the intent of the Congress and is in conformity with the United States Constitution as to our system of taxation, widespread rumors and misinformed public opinion, and the general practice of lawyers, C.P.A.'s and income tax preparers has

misled the public to incorrectly believe that the 16th Amendment to the US Constitution authorized Congress to impose a direct tax on labor, property, exchanges of property, property received as a result of exercising a constitutionally secured right to contract.

Rescinded Therefore Resigned

The actual affidavit of revocation and rescission that has been developed goes into tremendously more detail on Constructive Fraud and past actions of one who unwittingly applied for an SSN, as well as their previous acts of filing returns. The law and Supreme court cases are referenced, cited and interwoven throughout the affidavit which bolster the affiants position.

So what is an agency such as the United States Treasury to do when they receive a detailed explanation of a citizen's sincere understanding of the law (documented with the law) with respect to requirements of obtaining an SSN and personal requirements on the filing of returns?

Well because the government in this case is the proponent of a rule or order, it is their job to rebut the allegations contained within the affidavit and they must prove the challenge to their jurisdiction is incorrect as specified under Section 556D of Title 5 government agencies and employees. If the rule of presumption in this particular case with respect to the affidavit of revocation and rescission is not reversed and no rebuttal is forthcoming from the Treasury then the information as presented within the affidavit will stand to be correct. The government is now required to prove its jurisdiction! Since it has been a consistent practice of the Secretary of the Department of the Treasury not to respond by rebutting the affidavit, they never have by the way, then the allegations and statements within the affidavit can be relied upon to be correct. As they should.

In the future the affidavit can become a beautiful piece of exculpatory evidence (to clear from alleged fault or guilt), which can then be entered into evidence as to why one did not file a return if a criminal charges such as willful failure to file or even tax evasion charges are sought...as rare as that might be. This was the case when one of our members', Donald Paul was acquitted on multiple counts in an *information* under Internal Revenue Code, Section 7203, *Willful failure to file* when he entered the Affidavit of Revocation and Rescission. See Reasonable Action Issue #221, 1996. For a related article on criminal prosecutions you should certainly read, "The Tale of Two Cites". You can read this article available on the Internet by [clicking here](#).

Let me say it is a real education unto itself to actually read this 8 page affidavit prepared by the Save-A-Patriot Fellowship, as yours truly filed this very same document back in April of 1997. After fully understanding the nature of the tax situation and the purpose of Social Security I did not hesitate to send it in certified mail return receipt requested on three separate occasions. I just wanted to make sure they received it if you know what I mean. They did. As usual, no response. Mr. Rubin must have been busy bailing out third world countries that day.

Be A Part of History

The affidavit goes into significant detail of the constructive fraud that has continued to this very day. If the government can not be honest with its citizens as to their actual duties and responsibilities now, it stands to reason that when the house of cards does finally collapse under the weight of "non" compliance, the government will then have to point its finger at yours truly and the thousands of others who have decidedly quit the Wealth Redistribution League in order to keep their fair share. I certainly will be proud to have been recognized as playing a part in destroying Socialism or blatant Communism in this country if and when that day ever comes.

Related Topic. - "The Covered Employee - To Be or Not to Be Covered", The video tape

Lynn Meredith [<http://www.livetaxfree.com>] Freedom Books, a.k.a. Free the People, Sovereignty Pure Trusts and Liberty International

Status: Recently as of late last year a federal grand jury in Los Angeles returned a 35-count indictment against Lynn Meredith that includes charges of conspiring to defraud the Internal Revenue Service and fraudulently using Social Security Numbers and passports.

Advocates that the income tax is voluntary, and to seek refunds from the IRS for past tax returns filed.

Joe Sweet, Jack L. Malone, and The Joy Foundation [<http://www.joyfoundation.com>]

Status: Currently served a Permanent Injunction by the court to halt operations. The Joy Foundation membership left with no support.

The Joy Foundation and their affiliates advocated among other things that the federal income tax is unconstitutional, the income tax and the filing of income tax returns and paying taxes was voluntary.

Brief history: Joe was at one time a Save-A-Patriot Fellowship member. He left the fellowship, struck out on his own, shortly after taking in his possession fellowship educational material and then substantially altering its content and marrying it to erroneous doctrine to suit his own ambitions to market a high priced membership to an undereducated populace. One of the trademark solicitation pitches to attract customers was ... 'none of our members have ever gone to jail.'

Thurston Bell / The National Institute for Taxation Education - NITE [<http://www.nite.org>], David Bosset - Bosset Marketing Inc. [<http://www.bosset.com>], and Tax preparer Harold E. "Hal" Hearn

Status: Currently NITE, Bosset Marketing Inc, Harold E. 'Hal' Hearn, Enjoined by the court to halt operations. NITE membership who utilized Mr. Bell's services left with no support.

All parties above held to the US Sources argument [a.k.a. Section 861], and advocated filing amended tax returns seeking refunds. Bell's clients typically file zero income tax returns with an "asseveration of claimed income" attached, disputing the gross income indicated on the taxpayer's W-2 forms

Brief history: Mr. Thurston P. Bell was at one time a Save-A-Patriot Fellowship [SAPF] paralegal. He left the fellowship, struck out on his own to help create Taxgate and then eventually established and founded NITE.

Some additional history behind Mr. Bell's tenure at SAPF: At the end of Thurston's career at SAPF it was later discovered that Thurston had been talking to and recruiting members and staff from the fellowship without John Kotmair's knowledge. This was in order to solidify Thurston's new internet venture with Rick Haraka of Taxgate. John was unaware of Thurston Bell's recruitment activities until after he left the fellowship. It was later when Thurston began to attack John Kotmair personally, the fellowship, and his family that he was informed of Thurston Bell's recruitment of members and staff of the fellowship while he worked at fellowship headquarters.

If you have not read the January 8th, 2002 issue of The Tax Freedom 101 Report where John Kotmair discusses the working relationship the fellowship had with Thurston Bell regarding his discovery regarding the US source [861 argument] then read about it in the Information section. The title of the article: '[The Liberty Tree -](#)

September 11th, 861 Argument, and More' available here:
<http://www.taxfreedom101.com/eazines/020108.htm#Information>

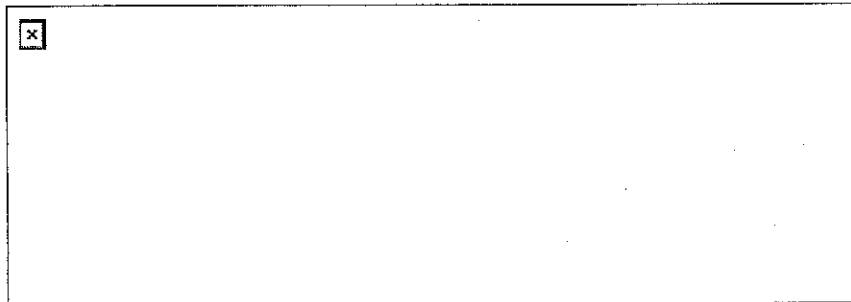
Here's A Tip for Those Still Paying Attention

A Tax Freedom 101 Warning*: If you currently support, or come across any group or organization that currently promotes, advises, advocates, or has stated any of the following items below in the past, or present, or may do so in the future, be warned. These positions include but are not limited to the following:

- **The Income Tax is Voluntary**
- We Need to End the IRS
- **We Need to Abolish the Internal Revenue Code**
- The Income Tax is Unconstitutional
- **No One is Required to File a 1040 Tax Return**
- Mark the W4 Exempt to Stop Income Tax Withholding
- **File Zero Returns**
- Don't, or You're Not Required to File a Tax Return
- **Amend the Tax Return and Seek a Full Refund of Taxes Paid**
- Do File a Tax Return
- **We Need a National Retail Sales Tax, Value Added Tax, Flat Tax, etc.**

* Tax Freedom 101 does not, will not, and has not ever promoted, advised, advocated or stated any of the following items as listed above.

The Only Organization with Defenses Hardened from Previous Government Attacks that Eventually Failed...



The Save-A-Patriot Fellowship
Education – Protection – Fellowship
Together We Must Stand - Or - Separately You Will Be Stood On!!!

A First Amendment Association Since 1984!
Quickly Approaching our 20th Anniversary!
The only organization that successfully withstood an IRS raid then beat them in court!
Now consisting of thousands of protected members in all 50 states!

Offering the finest "adult education" currently available with regards to our constitutional heritage, including a thorough and accurate analysis of the limited liability of the U.S. citizen for internal domestic taxation, as well as access to fellowship staff paralegals, and caseworkers for those needing assistance in responding properly to a Notice of Deficiency, lien, levy or seizure, or to other correspondence received from the Internal Revenue Service or state taxing agency; or with any other tax related issue requiring assistance. Also providing its eligible members who have suffered loss civilly or criminally due to IRS or state taxing agency abuse insurance-like financial protection to

There is a web site that was brought to my attention by one of the attendees of the SAPF Saturday night meeting held at the Fellowship Headquarters. The site is entitled Quatloos! Scam & Fraud Exposed, and its web address is www.quatloos.com. I was informed that I was a person most honored therein, having the distinct honor of being exhibited in the Quatlosers Hall of Shame.

This prompted my visit to the Quatloos web site to look it over. There I found that it was owned by a 501(c) 3 corporation named Financial & Tax Fraud Education Associates, Inc., which is reported therein to be the brainchild of a lawyer and stockbroker named Jay D. Adkisson.

Reading the contents of this infamous web site brings an informed person to the conclusion that it smacks of being an IRS / Department of Justice (DOJ) front [editor's note: **view details on IRS/DOJ fronts and sound off on Liberty Post**]. It made statements about me that were misrepresentations of the facts, half-truths, and outright lies. It contains a list of fifty-one press releases obviously from the DOJ regarding recent criminal tax actions. Prominent individuals within the Patriot community are listed using Thurston Bell's "list of enemies" which, of course, represents them in the worst possible light. Professionals on the list, such as lawyers, are not designated as such, giving any uninformed guest the impression that those on the list are just a reckless bunch of anti-government greedy individuals, not having any knowledge of the law, who just do not want to pay their fair share. In short, the web site is a slick piece of propaganda, the type of propaganda that has a fifth columnist signature all over it. It is an if you can't confront them with the facts, destroy them with lies and invective web site. When the IRS and DOJ are unable to shut down the Fellowship with their 1993 raid, and their inability to pin a phony "abusive tax shelter" rap on SAPF, they have to depend not only on their "friends" in the media, but also their friends who maintain such web sites.

Because of the Constitutional Republic the Founders and Framers gave us, the socialist revolution can only be successful if it is protracted over a long period of time with the progressive dumbing-down of each generation by the government schools. Our organized educational efforts are certainly interfering with that program. In addition, the effect of the coming hyperinflation, and the ongoing loss of jobs, due to the loss of manufacturers fleeing the country chasing inexpensive labor, will cause more disillusioned Americans to seek the truth of what is really happening to these States united. Wherefore, as I warned many times in the past, Patriot organizations, being a factual source of information about the socialist revolution, have to be silenced and/or destroyed at all costs. How? Their most effective weapon, the IRS's "abusive tax shelter" program.

Section 6700 of the Internal Revenue Code is for combating abusive tax shelters, i.e. those shelters that are set-up as such, but use fraud to gain an advantage for the "tax paying" participant. Nowhere within this code section can it be found that setting up a trust for someone, or showing someone how to file a "0" return, not that I agree with that, is an activity in violation thereof.

The trial balloon for the IRS abusive tax shelter program went up in the 1985 actions against two friends of mine Dennis Kaun of West Allis, Wisconsin (now deceased), and David White, of Minneapolis, Minnesota. Dennis was the head of local affiliate of the National Patriot Association, of which I was one of the Directors before entering the federal prison camp in 1982. Dennis' case was the first one where the federal court misapplied § 6700, contending that tax advice was an "abusive tax shelter," and David's case was the first where the IRS and DOJ contended that helping Patriots to protect their property with a trust was an "abusive tax shelter."

I foresaw this eventuality back in February 1984, when the Fellowship was created, and took the proper steps to preserve the Fellowship's First Amendment umbrella, even though I realized that doing so would cost the Fellowship the ability to earn much needed operating and expansion funding. Otherwise, it could have been advantageous for both the members and the Fellowship to make an asset protection program available.

matched by the covered employer on behalf of the covered employee. The W-2 reflects the rate of withholding by the percentage of taxes withheld to the amount "earned" as determined by the information given by the employer's execution of the W4.

The following is for those who are self-employed for Social Security purposes:

If you received a 1099 from a private citizen or business be aware that the 1099 is being used by companies to claim compensation as a business expense. The private citizen or business will forward this information return to the IRS to substantiate their claim of expense, thereby reducing their perceived tax liability. Some companies "1099" (ten ninety-nine) others for goods besides just services rendered. If the person you have rendered services for does not have a Taxpayer Identification Number (T.I.N) on file for you they may request one. Just because they request a "number" does not mean they're entitled to another's number. Some companies issue W-9's to request the number.

A **W-9** is titled, Request for Taxpayer Identification Number. What if you're a "person" not required to have a T.I.N., such as a citizen - what do you do if you receive a W-9? Do not worry, the W-9 lacks an OMB control number. An OMB (Office of Management and Budget) control number is required to be issued to every federal government information form which requests information from a citizen. This procedure was required under the Paperwork Reduction Act of 1980 and named OMB the government watchdog to oversee the various executive agencies who had been requesting and collecting information from citizens not specifically required by law. The Office of Management and Budget uses these control numbers to show that the form is approved to gather information, however only when required by law. A federally issued information retrieval form such as the W-9 which lacks an OMB control number has been ruled to be an unofficial government document, and the courts have ruled that it can be considered bootlegged, and therefore may be ignored. We go into this subject further in The Tax Freedom 101 Accelerated Adult Home Study Program.

Also the W-9 requests the number under the penalties of perjury. The Secretary can only require that someone provide the number pursuant to penalties of perjury under IRC section 3406 subsection (e) paragraph 1. That section is concerned only with respect to interest, dividends, patronage dividends, and amounts subject to broker reporting. The Secretary may require that a TIN required to be furnished under section 3406 "Backup withholding" as specified in subsection (a)(1)(A) of 3406 only in the respect to the applicable code section of 3406(e)1.

Also, why in the left hand corner of the W9 does it instruct the receiver of the W-9 to: "Give form [W-9] to the requester. Do not send to the IRS." where the OMB control number normally would appear? Could it be that the IRS wishes to have plausible deniability that they do not actually require the information being requested? If so why? Could it be that backup withholding would not apply to citizens as well? You can find out in the Tax Freedom 101 Home Study Program.

I think the directions in the upper right hand corner should include the language "If a citizen of the United States, circular file in the closest receptacle."

Have a nice day form W-9.

The following is for those foreigners who are raping this country of its wealth, and the ignorant and not so ignorant citizens who claim "foreign status":

The **W-8**, titled: "Certificate of Foreign Status" has been used by foreigners to elude known duties, and requirements of paying taxes in areas that are otherwise required (i.e. foreign earned income). The IRS either turns a blind eye to this or they just miss the transactions. Or it may be that the IRS is more concerned with attacking their own citizens over laws which do not apply to them, then actually investigating their foreign buddies. Then of course there are those citizens who are playing the nonresident alien game.

In the purpose section on the W-8 it explains:

"Use Form W-8 or a substitute form containing a substantially similar statement to tell the payer,

A. Before The Hearing

1. Whenever you get an IRS 'Notice of Intent to Levy' or other 'Notices' it is important to check for your appeal rights with the 'Notice.' Typically, you have only **thirty days** from the date of the letter to request a hearing. If you don't get the request in by thirty days you will lose your right to appeal to the US District Court AND collection will not be stayed. **NOTE: collection is normally stayed while in the appeal process.**
2. SAPF's chief caseworker prepared a script to take to an appeals hearing. You will find it to be a very useful 'tool.' Practice with it beforehand.
3. Take a tape recorder to the hearing, and make sure it has fresh batteries.
4. Try to line up witnesses. Many people are afraid of the IRS. Thanks to the IRS Restructuring Act (Public Law 105-206, July 22, 1998) the IRS is now afraid of "US". Remember, § 1203 of this Act states that IRS employees can be fired for misconduct, for violations of **individuals rights secured by the Constitution**, such as denial of due process and other civil rights.

B. At The Hearing

1. Before going into the hearing: Have easily accessible: a copy of the script, Section 7521, your Request for Appeals letter and a tape recorder with fresh batteries.
2. Go over the script so that it is fresh in your mind.
3. Highlight the sentence in your Request for Appeals letter that states that you will record the hearing and bring witnesses.
4. After entering the building and passing through the metal detector, turn on your recorder.
5. Your tape recorder should be **on** when the IRS appeals officers meet you. **Leave it on even though he or she orders you to turn it off.** Make sure you get their name and IRS ID number. You can make this task simple by asking for their card.
6. Show the appeals officer a copy of your Request letter and read the part that states that 'I plan to bring witnesses and record the hearing.' Ask the Appeals Officer if they received the letter dated (state the date of the letter). This is important to preserve the record for any appeal action.
7. Ask them if they are familiar with § 7521, and then read paragraph (a) of § 7521 which states that you have a right to record. This is also important to preserve the record for any appeal action.
8. Don't be intimidated! Remember, You called the hearing. The hearing is your right to due process of law.
9. The IRS Appeals Officer may state that due to the May Memo they can't allow recording any longer. Rebut that allegation with paragraph (a) of § 7521. If they persist, ask to see the law that repealed § 7521. Remember, leave your tape recorder running. **Don't turn it off!**
10. The Appeals officer may give you a choice of either having a hearing without it being recorded, or no hearing at all. In that case repeat paragraph (a) of § 7521, and state that you have a right to record and anything short of that will be **Denial of Due Process of Law.**
11. The IRS will likely terminate the hearing. Hold fast to your position until the IRS terminates the meeting. **Don't give up.** Keep maintaining your rights. **DO NOT** terminate the meeting. Be sure to get everything on tape -- do not turn off the tape recorder no matter what they say.
12. Read the script (if you get that far). Remind the appeals officer that **YOU** called the hearing. You have a right to a hearing pursuant to § 6330 and Amendment Five of the United States Constitution. If the IRS terminates the hearing you are being denied Due Process of Law.

COURT LITIGATION SERVICES

ACTION I: CHALLENGING A WRONGFUL NOTICE OF LEVY/LIEN IN COURT

ACTION II: JUDICIAL REVIEW OF WRONGFUL NOTICE OF LEVY/LIEN AND INVOLVEMENT OF IRS EMPLOYEE WHO SIGNED THEM

ACTION III: ENFORCEMENT OF THE HARDSHIP PETITION FOR RELEASE OF LEVY

ACTION IV: SUIT FOR REFUND OF TAXES AFTER DENIAL OF PETITION FOR REFUND

ACTION V: PETITIONING BANKRUPTCY COURT TO STOP COLLECTIONS AND CHALLENGE IRS CLAIM

ACTION I: CHALLENGING A WRONGFUL NOTICE OF LEVY/LIEN IN COURT

The following court actions are prepared by Fellowship paralegals for members to file in United States District Court, State courts, courts of appeal and the U.S. Supreme Court when needed.

The paperwork is prepared and sent to the member with instructions on filing. In certain cases, the IRS is first notified by letter of the member's claim, which is prepared by a caseworker. Aside from bankruptcy, the lawsuits listed are usually a matter of filing paperwork with a court, without appearance in person. After reading this memo, members may call and speak with a paralegal if they have questions about court appearance, potential costs, etc. If there is a financial difficulty, it may be possible to make arrangements to pay by speaking with an Accounting Assistant in our office. The donations associated with each court action represent the member's share of the Fellowship's debt, determined according to Fellowship resources and time used by paralegals to complete the work. The fees are to be forwarded to the office when a lawsuit is requested to be prepared. The court-filing fee for the lawsuit is paid directly to the clerk of court when the member files their paperwork.

The research supporting the suits is largely unavailable or avoided by attorneys, who by the nature of their employment have a vested interest in maintaining favor with their state bar associations and judges. The work is tailored to each member's situation, and does not share the same status as the letter-writing appeals with the Internal Revenue Service (in which the arguments are broken down into separate lines of correspondence on singular issues, and certain replies are anticipated).

In choosing a suit to file, members should give careful thought to their personal financial circumstances, the effect of the IRS actions on their property, and what effect they seek to achieve by their chosen action. All of these considerations can be made by first reading this memorandum, and later speaking with a paralegal. Some members have decided to file suit even though IRS actions did not effect their property significantly, to increase the political pressure in the courts and public exposure of the issues.

In hardship cases, (meaning in cases where a person's principle source(s) of income are being wrongfully levied upon), the filing of a bankruptcy petition is likely to be the only source of immediate relief. Filing a bankruptcy petition will challenge the IRS as a creditor in the court; force them to support their claims; and potentially allow a member to argue the basis of an IRS assessment. This option is likely to be more appealing to members when they understand the possible uses of it - after speaking with a paralegal. More specifics on bankruptcy follow. The other actions available differ somewhat from bankruptcy in terms of their argument(s). They are based on the legal restrictions on IRS assessment and collection authority, advancing a case to potentially set a precedent. The results of a successful case of this type would likely serve to clarify the application of the law and/or reprimand an IRS employee for actions leading up to and including the Notice of Levy/Lien.

The current political climate of the courts is such that judges are (in a number of cases) actively protecting government employees who violate the law. The Fellowship is seeking several avenues of action to inform the public about this situation, and promote introduction of legislation that will correct this wrongful behavior (featured in Reasonable Action Newsletter article). However, until this problem is corrected throughout the country, and citizens have prompt redress of grievances both administratively and judicially, the only "Reasonable Action" is to exercise all rights available under law. In support of that premise, we encourage members to seek judicial appeal of all unlawful actions of certain government employees, once they have exhausted all necessary appeals with the government agency in question. Whenever a judge obviously rules against the law, that is called a fraud on

the court, and the outcome is not conclusive. The record of the administrative appeals and court proceedings should be preserved, for if our joint effort to bring the government back under the law, redress can then be obtained.

ACTION II: JUDICIAL REVIEW OF WRONGFUL NOTICE OF LEVY/LIEN AND INVOLVEMENT OF IRS EMPLOYEE WHO SIGNED THEM

This action is filed to request that a court order IRS employees to obey the laws as written. Additional information including costs for the suit and appeal possibilities may be obtained by calling the paralegal department.

ACTION III: ENFORCEMENT OF THE HARDSHIP PETITION FOR RELEASE OF LEVY

During the latter part of the 1980's, Congress passed an Act called the "Taxpayer's Bill of Rights." As part of that legislation, they made provisions for relief in cases of indiscriminate IRS collection actions causing taxpayers to have difficulty meeting their basic needs and living expenses. Under the new laws taxpayers have a procedure to notify the IRS of a hardship situation and request a release of the (so called) levy. (Note: citizens have Rights secured by the United States Constitution and do not need any such rights to be passed by Congress. Because citizens are not the subject of the Internal Revenue Code, [outside of foreign earned income], taxpayers are the nonresident aliens and foreign corporations not having the Rights secured to citizens. Wherefore, rights within the Internal Revenue Code could be extended to these foreigners by Congress, and when citizens are wrongfully set upon by the IRS employees, there is nothing that prevents them from exercising these particular statutes.)

If their basic living expenses exceed their current assets and income being levied, the IRS is required to release the levy. Members should contact their caseworker to obtain the petition to be filed with the IRS. We have had limited success with this petition as a result of the IRS seeking to unlawfully gain more information than required by law (possibly to start a wrongful assessment for the current period?), as well as demanding the signing of tax returns. In these instances the members have considered filing a lawsuit to enforce it. Since the initial petition costs the same as any power-of-attorney letter, and we have certain cases where it has stopped a levy, we believe it is worth attempting, even if a member doesn't wish to enforce it in court. Additional information including costs for the suit and appeal possibilities may be obtained by calling the paralegal department.

ACTION IV: SUIT FOR REFUND OF TAXES AFTER DENIAL OF PETITION FOR REFUND

When the IRS recommends that a person file a suit to obtain a tax refund, they demand that a person have (1) filed tax returns, (2) paid the full amount of tax allegedly owed, and (3) filed amended returns seeking a refund. It is not offered as a means of bringing a jurisdictional challenge to the agency, but only for purposes of stipulating the proper amount of tax due. As a result of our recent research, we can make this same option available to members who have had property wrongfully taken by Notice of Levy (whether or not they filed tax returns or had the total alleged liability taken).

Under the provisions of law authorizing this petition, a person can challenge the jurisdiction of the agency, including an erroneous assessment and/or erroneous collection action. The petition offers the IRS an opportunity to support their actions and answer the earlier appeals, but notifies them that a lawsuit will be filed in the absence of a reply. Their only reply option is to refund the payments taken by the wrongful levy or be sued for refund. Therefore, members seeking to bring an action for a refund must first file this petition. Once it has been filed and the IRS answers, they should forward the appropriate donation for the suit and contact a Fellowship paralegal if they have any questions. Should the IRS fail to answer, the law allows for a suit to be filed after a period of six months. Members should contact their caseworker to obtain the original petition.

Actions (II) and (III) are based on petitions prepared by a caseworker for a member to send to the Internal Revenue Service. The petitions cost the same as normal power-of-attorney correspondence. If and when the IRS fails to reply to the petition, and members have forwarded payment, the preparation of the lawsuits listed above will begin. Because the same arguments used in Action (I) can be raised here, these actions could proceed into the possible sequence of motions listed under Action I (District Court, Appeals Court, then Supreme Court.)

Members should be aware that a positive ruling in response to the original action filed, without opposing motions from the US, is uncommon. The reasons can be attributable to the judicial climate described earlier. The actions listed are requesting the courts to demand an IRS agent to act lawfully. It is predicated on the earlier and neglected responsibility of the IRS to correct wrongdoing when first notified by a party injured. These actions are filed against IRS agents in their individual capacity, and do not seek any award for damages. They only seek the court's command that the IRS obey the law.

Important Note: No guarantee of a certain outcome can be given by the Fellowship due to the current political climate in the courts. What can be guaranteed is that members will receive assistance in making legally correct arguments, (that can be preserved as explained above), using the latest strategies available for doing so.

ACTION V: PETITIONING BANKRUPTCY COURT TO STOP COLLECTIONS AND CHALLENGE IRS CLAIM

This option is mentioned earlier, but deserves a specific explanation here. Whereas the other actions presented can be delayed by the IRS, the court, etc., as well as their effects on Notices of Levy, this action places an immediate freeze on all IRS collection action(s) upon filing. It requires all property taken previous to the filing to be returned to the petitioner (period set by state laws), and requires the IRS to prove their claim as any other creditor before the court. In addition to challenging the IRS collections, this action provides for challenging the assessment of a tax that led to the issuance of the Notice of Lien/Levy. The IRS's "proof of claim" is challenged when filed, the court is moved for an adversarial hearing. The casework that has been done through power-of-attorney will contain the evidence needed to sustain these proceedings. Should tax returns be demanded by the court during this action, there are options for members who have determined that they have no such legal requirement.

[Return to membership enrollment page](#)

TAX FREEDOM 101

The Accelerated Adult Home-Study Program
 Thousands of Americans have quit Social Security, and now collect and keep 100% of their earnings!
Are you next?

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TAXPAYER WARNING!

YOU ARE ABOUT TO ENTER

"TAX TRUTH4U"

I DO NOT GIVE LEGAL OR TAX ADVICE, SO PLEASE DON'T ASK FOR ANY. ANY QUESTIONS? CLICK HERE.

IF YOU LIKE THE STATUS QUO AND DO NOT WISH TO BE DISTURBED



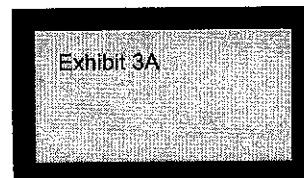
DO NOT ENTER THIS SITE!

ONCE YOU LEARN THE TRUTH YOU CAN NOT UNLEARN IT

IF THE INFORMATION COVERED ON THIS SITE IS NEW TO YOU, YOU WILL NEVER VIEW YOUR GOVERNMENT THE SAME WAY FROM THIS POINT ON. THEREFORE IT WOULD BE WISE TO CONSIDER THE STIRRING WORDS OF SAMUEL ADAMS, "FATHER OF THE AMERICAN REVOLUTION"

"If ye love wealth better than liberty, the tranquility of servitude better than the animating contest of freedom, go home from us in peace. We ask not your counsels or your arms. Crouch down and lick the hands which feed you. May your chains set lightly upon you, and may posterity forget that ye were our countrymen."

However



**IF YOU WISH TO CONFRONT THE TRUTH
BEHIND A LIFETIME OF "VOLUNTARY COMPLIANCE"**

ENTER HERE AND DISCOVER

"TAX TRUTH4U"

I DO NOT GIVE LEGAL OR TAX ADVICE, SO PLEASE DON'T ASK FOR ANY. ANY QUESTIONS? CLICK HERE.

I AM NOT A LAWYER, CPA OR ENROLLED AGENT LICENSED TO PRACTICE BEFORE THE IRS. I AM SIMPLY AN AMERICAN CITIZEN WHO TOOK THE TIME TO STUDY THE WRITTEN LAW, WHO IS CONCERNED ABOUT THE MISINFORMATION COMMONLY PUT FORTH AND ACCEPTED REGARDING THE "INCOME TAX".

Please note that the information contained on this site is offered for EDUCATIONAL PURPOSES ONLY. It is not intended to give you legal, tax or financial advice, nor is it intended to lead you into any particular course of action.

Since ignorance of the law is no excuse, the responsibility of each citizen is to know and understand the Law for him/herself.

Any actions you may take as a result of discoveries obtained from this site will be understood to be of your own volition.

If after reviewing this information, you still have questions or would like to be put in contact with someone, please don't hesitate to contact us.

If you need legal or tax advice, I suggest you seek the services of competent, licensed professionals (assuming that you can find one!). One must have a license in order to give legal advice. However, one does not need a license to show a fellow Citizen the law. I DO NOT GIVE LEGAL OR TAX ADVICE, SO PLEASE DON'T ASK FOR ANY. QUESTIONS? CLICK HERE.

Nor do I advise anyone on whether or not they are required to file returns or pay taxes. If, in your pursuit of understanding of the law, you determine the law does not require you to file and therefore decide to stop filing tax returns (as I have done since 1985) or legally quit the social security program, that is entirely your decision.

No "tax guru" or other purveyor of "silver bullets" can take one iota of responsibility for you. I emphasize this point since anyone who learns that they have been defrauded through any means or has been the unwitting victim of a "sting" (via illegally enforced taxation or otherwise) typically experiences emotions of betrayal and sometimes rage. Such an individual upon learning "The Truth Behind The Income Tax" may be prone to impulsive and possibly premature action, such as latching on to whatever guru happens to be advocating the tax protest argument of the month.

For this reason, I'd like to assure you that I am not a "tax protester". I have absolutely no objection to or argument with the taxing statutes and regulations as they are currently written. Neither do they apply to the United States Citizen living and working within the fifty States of the Union.

The information provided on this site is not based upon opinion, hearsay, rumor, untested theories or conjecture, but upon the factual truth based on almost 30 years of research, correspondence with the IRS and even court battles. You or your tax preparer can research and verify the information for yourselves, and you should.

Since 1984, the nationwide organization of which I am an exam-certified, independent representative, has published a flyer titled "Believe It Or Not" that was originally sent to every sitting federal judge, Congressman and Senator. The flyer, a reformatted copy of which is included on this site, states twenty-eight indisputable facts of tax law and offers a \$10,000 cash reward to anyone who can find those facts and the central thesis they describe to be in error. To date no one, in or out of government - not a single politician, judge, CPA, tax preparer, employer, lawyer or IRS agent - has been able to successfully refute or rebut this information and collect the \$10,000 reward. Perhaps your accountant or tax preparer would like to try!

A SPECIAL WORD TO THOSE IN GOVERNMENT.

This web site is for INFORMATIONAL purposes only. It is not my intention to defraud the government of what is legally theirs or to mislead or harm the public. Therefore if any staffer, employee, elected official or other representative of the government finds ANY of the information contained within this site to be inaccurate based upon the Law, please contact me and provide what you believe to be the correct information. If you can demonstrate to me where I am mistaken, I will make the necessary corrections to this site immediately.

WHAT I BELIEVE

I believe that there is a need for a limited, central government as called for by the Founding Fathers and circumscribed within the Constitution; that no man, including those in government, is ABOVE the written Law; that the government in meeting its needs for revenue as well as in all other matters must adhere to the Law just as "We The People" must; that the government has the authority to collect all lawfully imposed taxes pursuant to the rules and restrictions pertaining to direct and indirect taxes as prescribed in the Constitution, but has NO authority to exceed those mandates. Hopefully you, as a public servant to the People, agree. As Thomas Jefferson said, "In questions of power, then, let no more be said of confidence in man, but bind him down from mischief by the chains of the Constitution".

Thank You



Exam Certified Representative for

S.A.P.F.

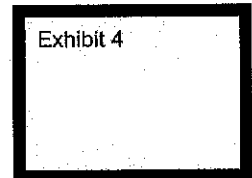
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Federal Tax Law Basics

How is the tax law structured?

How is the law applied?

- The Internal revenue laws are limited in application.
- The Internal Revenue Code encompasses more than just "income tax."
- The Code is divided into 11 subtitles. The first 5 subtitles each deal with different categories of taxation. The last 6 pertain to "Procedure and Administration" (subtitle F), "Joint Committee On Taxation" (subtitle G), "Financing The Presidential Election Campaign" (subtitle H), the "Trust Fund Code" (subtitle I), "Coal Industry Health Benefits" (subtitle J), and "Group Health Plan Portability" (subtitle K).
- Subtitle "A" is income tax.
- Subtitle "C" is employment tax or social security tax.
- Subtitle "A" is in no way related to subtitle C.
- The W-2 and 1099 "wage" information commonly reported by employers is a function of the tax on wages under subtitle C (not income tax) for the purpose of building credits towards social security. The tax on wages has absolutely nothing to do with the tax on income under subtitle A.
- The "income tax" under subtitle A is an "indirect" tax in the form of an "excise" imposed on certain "activities" or "occupations" and a liability to pay the tax must arise from statute.
- The only statute under subtitle A (income tax) making anyone liable is section 1461 which applies to withholding agents who are required to withhold only from foreign entities like nonresident aliens and foreign corporations.
- The only requirement for an individual to file a return under subtitle A (Income tax) is section 6012(a). The Internal Revenue Service identifies the imposition of the income tax and the type of income that is considered "taxable income" for the purpose of this filing requirement in their request to the U.S. government's Office of Management and Budget (OMB) which must "approve" the administration and enforcement of the applicable regulations. Taxable income for the purpose of this section is limited to certain income that has been "earned" while living and working in certain "foreign" countries or territories. According to the OMB, the return that is required under this section of the Internal Revenue Code is Form 2555 (not the 1040) and it is entitled "Foreign Earned Income." According to the regulations, 26 CFR part 600 to end, the 1040 return is merely a supplemental return or worksheet for the required Form 2555.



- Treasury Decision 2313 clarifies that the Form 1040 individual income tax return is appropriate for any person acting as a fiduciary for a nonresident alien and receiving interest and/or dividends from the stock of domestic (US) corporations on behalf of that alien.
- The income tax under subtitle A is mandatory for those mentioned above (but only for those to whom it applies). It is NOT voluntary as some have asserted. Since the law is limited in application, the question of whether it is mandatory or voluntary is superfluous. The question is: to whom, and under what circumstances is the law applied?
- Certain legal requirements with regard to the wage tax under subtitle C may also be considered mandatory, but only for the payor of the wages (the employer) and even then, only if both the employer and the employee have voluntarily agreed (via application) to participate in the entitlement program. Since neither can be compelled to participate, compliance is said to be voluntary.

The foregoing statements are NOT legal advice. They are merely factual statements about the law.

[Back to the SAPF home page...](#)



Save-A-Patriot Fellowship

Post Office Box 91, Westminster, MD 21158 Tel. (410) 857-4441 FAX (410) 857-5249

Together We Must Stand -- Or -- Separately You Will Be Stood On!!!

[REDACTED]

[REDACTED]

[REDACTED]

Received your e-mail this date about IRA withdrawals and reporting the penalty to IRS. I hope the following is of help to you.

IRA accounts and IRA annuities are established under Title 26 United States Code, § 408 (a) and (b) respectively. "Tax Treatment of Distributions" is found in § 408 (d), and states in pertinent part:

(1) In general.—Except as otherwise provided in this subsection, any amount paid or distributed out of an individual retirement plan shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72.

Section 72 is found in Subchapter B, Chapter 1 Subtitle A of the Internal Revenue Code. Subchapter B deals with and identifies lists of items of gross income. The income from these items of gross income are taxable, but they must come from a source that is listed in Subchapter N, Chapter 1 Subtitle A. All the sources found therein are foreign. Then, and in that case, if the source of the funds that are deposited in your IRA are foreign, the income therefrom is taxable. If the funds are domestic, then the income is not taxable.

The index for the Internal Revenue Code, copy attached, gives as the only reference to filing of returns, §§ 6047 and 6058. Both sections relate only to Subtitle C employers reporting requirements. The only reference to withholding for IRA purposes is §§ 6652(h) and 3405. Section 6652(h) refers back to § 3405, which again requires the employer employee relationship under Subtitle C.

As for the liability of penalties for excess distribution, the attached index cites § 4980A, which states in pertinent part:

Exhibit 5

Liability of Tax.—The individual with respect to whom the excess distributions are made shall be liable for the tax imposed by subsection (a). The amount of the tax imposed by subsection (a) shall be reduced by the amount (if any) of the tax imposed by section 72(t) to the extent attributable to such excess distributions.

Section 72(t) states:

10-Percent Additional Tax on Early Distributions From Qualified Retirement Plans.—

(1) Imposition of additional tax.—If any taxpayer receives any amount from a qualified retirement plan (as defined in section 4974(c)), the taxpayer's tax under this chapter for the taxable year in which such amount is received shall be increased by an amount equal to 10 percent of the portion of such amount which is includible in gross income.

Conclusion:

- a. The income that is taxable is from a foreign source only;
- b. the penalty for early withdrawal is for the taxable income from a foreign source;
- c. the filing of information returns, are those information returns required to be filed by an employer under the provisions of Subtitle C.

Wherefore, there is no tax liability or requirement to file an information return for citizens with source income from within the States of the Union.

If you have any questions please call.

Semper Fidelis ad Libertas, Veritas que Justitia,


John B. Kotmair, Jr., Fiduciary

Enclosure:

Copy of a page from the index of the Internal Revenue Code.

cc:

Gordon Phillips
Bill Huff



Reasonable Action



Liberty



Justice



Answer To Thurston Bell's Ludicrous and Patently False Allegations About The Save-A-Patriot Fellowship

For the last year or so Thurston Bell, a vendor who trades on the Internet as "TAXGATE", has been making allegations which have been false and misleading misrepresentations of fact and, in some cases, outright lies about the Save-A-Patriot Fellowship and its Fiduciary, John B. Kotmair, Jr. Mr. Bell failed to show up for a debate that he himself requested at the Fellowship meeting room at 1:00PM eastern time on Sunday March 1, 1998 to substantiate his allegations.

He has tried his best to destroy the Fellowship with "poison pen" type e-mail throughout the U.S.A.. In one such e-mail he advocated that the Fellowship Fiduciary should be physically done away with (i.e., killed). He is at present disseminating some of the e-mail he authored, but fails to include the Fiduciary's responses, which make sense out of his non-sense.

At first we decided that we would publicly ignore him, but after reading his "22 Points Against SAPF," it was decided that these misrepresentations and falsehoods must be answered. We will, however, attempt to take the high road by making factual statements rather than resorting to baseless name-calling.

Bell's allegations, which follow, were downloaded from his Internet web page at www.taxgate.com. We will do our best in each answer to inspect the contents of Bell's mind and examine them in the clear light of fact, law and reality.

Bell's Allegation #1:

All of the IRS work that goes out under a Power of Attorney given to John B. Kotmair, Jr., the SAPF Fiduciary, is ignored by the IRS. He is not an enrolled agent of the IRS, a CPA, an Accountant, or a Lawyer. Yes, the IRS has issued him a representative number, but they refuse to recognize his authority and Power of Attorney. Therefore, any letter sent by him for anyone will be ignored and thus will not effect the administrative record, nor be considered a timely response within the Administrative time deadlines.

Answer #1:

This is a blatant misrepresentation of the facts:

1) The Power-of-Attorney given to the Fiduciary by members of the

Fellowship is recognized by the Internal Revenue Service as evidence by responses which are received daily from various Internal Revenue Service offices nationwide. The Internal Revenue Service objects only to the Fellowship's representation of its members and not to the requests for information themselves.

2) After some years of representing members before Internal Revenue Service appeals officers and being successful in most of the appearances, the "powers that be" within the Internal Revenue Service took action to stop this inadvertent education of their appeals officers. They argued that the Fiduciary was not qualified under the Treasury regulations to represent anyone but his immediate family. The regulations clearly allow for an officer of an organization to represent that organization. In this case, the members of the Fellowship are the organization. This was proven by the Fellowship's filing of a complaint in the Federal District Court in Baltimore. The complaint had to be

See *Ludic*

Exhibit 6

From **LUDICROUS** Page 1

filed for the Fellowship by a substantial number of the members. However, after consulting with attorneys who are members of the Fellowship, it was decided not to pursue this in court, because it was possible that the Internal Revenue Service could cause a challenge to individual Powers-of-Attorney and wear us down with court actions; also, because the contentions contained within the written protests and abatements of alleged assessments are still valid in court, and the Fiduciary can testify to these facts.

3) The allegation about missing administrative deadlines represents either ignorance on Mr. Bell's part or an attempt at making make the Fellowship's effort appear hopeless. The fact is that there is no statute of limitations on fraud. In other words, the Internal Revenue Service has no jurisdiction to make the assessment in the first place; therefore, the statutes of limitation are of no consequence.

Bell's Allegation #2:

The SAPF Fiduciary, John B. Kotmair, Jr., claims that since the Fellowship position is that there is no law imposing an income tax upon U.S. Citizens and residents while they are working within the 50 states, the actions of the IRS are fraudulent. Therefore, with fraud being present, there is no statute of limitations on fraud, and their responses to IRS Administrative Procedure do not have to be timely and within the Administrative Process of the IRS.

Answer #2:

This is totally correct, except for the fact that the income tax is not imposed on individuals, but rather on their taxable income, if any.

Bell's Allegation #3:

Since the letters to the IRS do not go out in a timely fashion, the opportu-

nities to fully press the Administrative Rights of the Member whose case is being handled by the Fellowship are squandered and thus lost.

Answer #3:

This is totally incorrect. The administrative rights of the member are not lost; we prepare an appeal at the appropriate time for the member's signature and have prevailed in some of these appeals. It is admitted that in most appeals of this type the appeals officers ignore the law - whether out of ignorance or otherwise does not matter - however this is routine procedure on their part no matter who is requesting the appeal and whether it is within the prescribed time limits or not. The cases are not squandered and thus lost, as the member has a prima facie case file with which to go to court. Even if the court rules against the law as evidenced by the case file, that is not conclusive being a fraud on the court and can be reopened at any time. If we succeed in bringing the courts back under the law the member can get redress at that time.

Bell's Allegation #4:

The SAPF Fiduciary, John B. Kotmair, Jr., agrees with TAXGATE that the root of the tax problem in this nation is that the Professional Class (CPA's, Accountants, and Tax Attorneys) are misleading the employers and payors of this country into believing that they are paying "gross income" or "wages" as defined by law, to U.S. Citizens when the Citizen is living and working in the U.S. In light of this, one can only wonder why the Fiduciary (a former Police Officer) has not focused upon the prima facie claims (on W-2's, 1099's, etc) of the employers and payors of the Country, through the proper Administrative Procedure. With the Fiduciary being eminently more experienced than the author, why is it that the likes of he and Irwin Schiff have missed the clear and naked body of evidence that supports the actions of the IRS?

Considering this information, the entire matter and movement at this time must find its feet, and cannot proceed until that time that it properly and completely faces, and refutes, the body of evidence against the Citizen, and proves the evidence to be erroneous or lacking in legal or statutory merit.

Answer #4:

Bell has really taken unwarranted liberty with what the Fiduciary believes or does not believe in allegation 4. The Fiduciary does not believe that the "...root of the tax problem in this nation is that the Professional Class (CPA's, Accountants, and Tax Attorneys) are misleading the employers and payors of this country...". The root cause of the tax problem is two fold: 1st, the tax laws as written are not taught in law schools, thus the lawyers, who of course become the judges, are ignorant of the tax law; 2nd, the judges, both States and federal, when being presented with the tax law are not upholding it. This is the root cause and problem.

Mr. Bell should inquire of the Fiduciary and he would not have to "...wonder why the Fiduciary (a former Police Officer) has not focused upon the prima facie claims (on W-2's, 1099's, etc) of the employers and payors of the Country, through the proper Administrative Procedure..." The answer is very simple and should be evident to anybody who desires to return these United States back on the course of *Individual Liberty* rather than foster the misconceptions about governmental *socialist programs* just to try to get some questionable temporary relief. The law says very clearly that only non-resident aliens and foreign corporations are required to have and use governmental identification numbers, i.e., Social Security Numbers, Employer Identification Numbers and Taxpayer Identification Numbers. Wherefore, considering the Cause of Liberty, we believe it is more important to educate citizens to the law rather than try to get some dubious relief and exist in a one world socialist society.

We have not missed any body of law, it is because, as Mr. Bell admits, the Fiduciary is "...eminently more experienced than the author..." that he sees the fallacy in falling into the socialist trap of giving credence to their smoke and mirror law within Subtitle C of the Internal Revenue Code. If you proceed as though the Internal Revenue Service has jurisdiction over citizens or resident aliens within Subtitle C, why bother at all? Just play the game of the ignorant and try to get back as much of what was withheld as you can. If nothing was withheld, and the individual took asset protection precautions, who cares what the Internal Revenue Service does or says? I believe it is Mr. Bell who has missed the point.

Bell's Allegation #5:

Despite the claims and cries of SAPF, there is no certainty of fraud that can be seen by any present court, as it is apparent that the actions of the IRS are no different than that of the Local Police, to the eye witness of a murder on private property, in that the IRS actions are taken with same plausible deniability of malice and fraud, as they have probable cause through witness testimony which has set their actions into motion. There can be no malicious action or fraud if the witness is never confronted but always present, known, and available.

Answer #5:

As in much of what Mr. Bell writes, Allegation 5 does not present a subject matter, and therefore, until there is a certainty as to what he is talking about, this vagueness cannot be addressed.

Bell's Allegation #6:

The SAPF Fiduciary, John B. Kotmair, Jr., claims that an abatement of IRS claims of an income tax being due can be obtained per a request pursuant to 26 USC § 6404(a)(3), when 26 USC § 6404(b) plainly bars anyone from requesting any abatement for an income tax.

Answer #6:

This has been explained to Mr. Bell, not only by the Fiduciary, but also by several other individuals. It appears that he just does not understand *written law*. The following remark is not intended to be sarcastic. Having been his employer for several years and having been in the position of reviewing his work, the Fiduciary can attest that much of it was rejected as being written in poor grammar and unintelligible. Allegation 5 above is an example. The following statement made by Mr. Bell on his Internet webpage proves the point:

"It is not always what is in a law that is important. Frequently what is not stated in a law is equally important."

Now a novice might ask, "What is wrong with that?". But anyone with even a scant knowledge of law knows such a statement to be ridiculous. In order to have a government of law rather than men, law is written pursuant to the mandates of the United States Constitution. The law must be written so as to be clear and concise, for if it is not so written, how can it be obeyed? Ignorance of the law is no excuse. In other words, if a law is vague how can any citizen who violates it be held accountable? Such a law is held to be void for vagueness as explained in Black's Law Dictionary thusly:

"Under this principle, a law which does not fairly inform a person of what is commanded or prohibited is unconstitutional as violative of due process."

Now that this is understood, we will answer Mr. Bell's question in Allegation 6. As he admits, Subtitle A is where the *Income Tax* laws (statutes) are contained and Subtitle C contains *Employment Tax* laws. The Income Tax is imposed by § 1 and is withheld under the provision of Chapter 3. In § 1, the tax is imposed on the income of citizens and resident aliens having income from a foreign source as listed in Subchapter N of Chapter 1. In Chapter 3, *Income Tax* is withheld from the income of nonresident aliens, foreign corporations, foreign tax exempt organizations, and Virgin Island income, all of which are, of course, foreign sources. There is no requirement within Subtitle C to withhold *Employment Tax* from a citizen or resident alien. Wherefore, because citizens and resident aliens are not subject to a tax on domestically earned income or on their wages, the Fellowship moves pursuant to § 6404(a)(3) to abate such an unlawful assessment. We do not move, for the members, to abate any income tax imposed pursuant to the provisions of Subtitle A. Therefore, § 6404(b) only pertains to lawfully assessed taxes under the provisions of Subtitles A and B, and not *erroneous* or *illegal* assessed tax as Mr. Bell alleges. This just gives further evidence of his lack of experience in the law, to which he openly admits. Commonsense would tell anybody that Congress does not have the authority to pass a law sanctioning an *erroneous* or *illegal* tax assessment.

Bell's Allegation #7:

The SAPF Fiduciary, John B. Kotmair, Jr., claims that since the tax collected in 26 USC § 3402 is allowed as a credit against the tax imposed in 26 USC § 1, that the tax called the income tax assessed by the IRS, is either imposed in Subtitle C (to which the § 6404(b) bar does not apply), or not imposed at all in any section of the law (despite the claim of the IRS that the income tax is imposed in § 1 on taxable income § 63, which includes "wages" § 61, paid pursuant to Chapter 24 § 3401 & 3402).

Answer #7:

This is one of Mr. Bell's convoluted statements; it really does not say what the Fiduciary is supposed to be claiming and ends up by making a false statement about the law. The false statement being his claim that the word "wages" appears in § 61; it does not, as shown in § 61 reproduced here in its entirety.

§ 61. Gross income defined.**(a) General definition.**

Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) *Compensation for services, including fees, commissions, fringe benefits, and similar items;*
- (2) *Gross income derived from business;*
- (3) *Gains derived from dealings in property;*
- (4) *Interest;*
- (5) *Rents;*
- (6) *Royalties;*
- (7) *Dividends;*
- (8) *Alimony and separate maintenance payments;*
- (9) *Annuities;*
- (10) *Income from life insurance and endowment contracts;*
- (11) *Pensions;*
- (12) *Income from discharge of indebtedness*
- (13) *Distributive share of partnership gross income;*
- (14) *Income in respect of a decedent; and*
- (15) *Income from an interest in an estate or trust.*

(b) Cross references.

For items specifically included in gross income, see part II (sec. 71 and following). For items specifically excluded from gross income, see part III (sec. 101 and following).

Wherefore, his claim that §§ 3401 and 3402 of Subtitle C are somehow imposed by § 1 is based on a false

premise. Nowhere can it be found within the Internal Revenue Code that these code sections are imposed by § 1. As we proceed trying to understand his convoluted reasoning, we see continued evidence of his ignorance of and/or indifference to the "void for vagueness" doctrine. It does not matter that the law does not really say what he is contending, for as quoted above, it is equally important in his way of thinking what the law does not say. Those perverters of the law within the Internal Revenue Service just love this reasoning.

Bell's Allegation #8:

Since the SAPF Fiduciary, John B. Kotmair, Jr., actually claims that the wages withholding tax is not imposed at all, but then seeks to inexplicably link the "Wages" in Chapter 24 § 3401(a) to "Wages" defined in Chapter 21 § 3121(a), one should be able to see the duplicity of his position. Therefore, if the Social Security Tax is imposed upon "Wages" or "employees" and the definitions of such words in Chapter 24 are the same as those in Chapter 21, then the Chapter 24 tax would have to be imposed by the Social Security Act (Chapter 21). (Is this evidence of duplicity?)

This mixture of these two distinctly separate laws by SAPF is unsupportable pursuant to the words of the statutes as both 26 USC §§ 3121(a) and 3401(a) both begin with the phrase "For the purposes of this Chapter..." This reveals that these two laws and definitions are mutually exclusive and can by no means be combined.

Answer #8:

Bell's contentions here might have some validity if they were factual. But it is just one more misrepresentation of the facts. The Fiduciary has never linked Chapters 21 and 24 in the way Mr. Bell contends. All the Fiduciary shows regarding Subtitle C, within which both chapters are contained, is that the legal term *employment*, which is used to describe the whole of Subtitle C,

is defined in Title 20 of the Code of Federal Regulation, as:

§ 404.1003 Employment.

Employment means, generally, any service covered by social security performed by an employee for his or her employer.

and, the word "wages" from Chapter 24, §§ 3401 and 3402:

§ 404.1041 Wages.

(a) The term "wages" means remuneration paid to you as an employee for employment unless specifically excluded. Wages are counted in determining your entitlement to retirement, survivors', and disability insurance benefits.

Unlike Mr. Bell, the Fiduciary goes only by what the law actually says.

If what Mr. Bell says about §§ 3401 and 3402 being imposed by § 1 were true, a citizen would be required to have a taxpayer identification number (TIN), be he or she an employer or an employee. The Fiduciary would be required by law to obtain and use an Employer Identification Number (the EIN is a form of TIN) and to withhold taxes from the wages of employees of the Fellowship. But the Fiduciary does not have or use an EIN and does not withhold. In 1993, the Internal Revenue Service Special Agents based their warrant to raid the Maryland headquarters of the Save-A-Patriot Fellowship on the fact that the Fiduciary did not have an EIN and was not withholding from the employees. When required to show evidence of such a law in court, the IRS dropped this allegation of supposed wrongdoing like the proverbial "hot potato". **There is absolutely no reason why every enterprise in America which pays wages to employees could**

not conduct its affairs in like manner, a fact of which the IRS is fully aware. Mr. Bell has knowledge of all this, but seems to have trouble putting it all together in his mind.

Further, the "wage" tax in Chapter 24 is dependent upon the participating individual having a social security number (SSN) and submitting such SSN on a voluntary withholding agreement (IRS Form W-4) to the participating employer (i.e., who has applied for an EIN and is withholding the tax). There is no number needed to pay or withhold an "income tax."

Bell's Allegation #9:

SAPF has never posted any notifications of its abatements that it may have received for the past 14 years of its efforts.

Answer #9:

The Fellowship does not misrepresent the facts. The times that the efforts of the Fellowship were successful, other than extraordinary circumstances, abatements were not issued, as stated above, the process was merely pigeonholed. In the cases involving extraordinary circumstance, the Internal Revenue Service abated the assessment for procedural errors other than the wrongful application of the law. It is our experience that the Internal Revenue Service and the courts will never admit to the wrongful use of the assessment laws unless they are forced to do so politically by our educational efforts. In all our years of involvement in this effort, we have yet to see any evidence of anyone actually succeeding in convincing the Internal Revenue Service to abate an *erroneously or illegally* assessed tax. Many have claimed such victories, but none have substantiated their claims with other than a lot of hot air and/or misrepresentation. For if it were true, the struggle would be over. The taxing agencies and the courts would be obeying the law, but there is no evidence of that.

Bell's Allegation #10:

The mixture of Chapters 21 and 24 "wages" by the Fellowship is key to their support for their request for abatement, in violation of 26 USC § 6404(b). This keeps them from understanding the distinct disassociation of these terms from one another. They also continue to disregard the fact that Chapter 24 § 3401(a) "wages" does not include remuneration paid by an employer to a U.S. Citizen, whose remuneration is not included in gross income under § 911, as § 911 does not relate to U.S. Citizens in the 50 states, and thus the Citizens do not fall under the definition. (Take note that the taxable sources for U.S. Citizens lead to § 911 in the Taxgate.com Gross Income article). (Is this evidence of duplicity?)

Answer #10:

The first part of this misrepresentation was handled above, and not desiring to be redundant, we will not go over the same things again. The second part is a perception that only exists in Mr. Bell's mind. The Fiduciary invites Mr. Bell to explain in detail how the Fellowship disregards the fact that citizens and resident aliens were not taxed on domestic receipts of any kind. We were preaching that when Mr. Bell was still a teenager and unaware that there even was a movement to have the tax laws imposed as written.

Bell's Allegation #11:

The SAPF Fiduciary, John B. Kotmair, Jr., has no problem promoting and applying the fact that the only way gross income is applicable to U.S. Citizens, according to the definition of sources as set forth in the Gross Income argument, is in relationship to § 911. Yet, the leadership refuses to understand that "wages" in § 3401(a) is an item of "gross income" from a taxable source that could be subject to the withholding of the income tax in § 3402.

Answer #11:

It is impossible to consider what Bell states in the first part of Allegation 11 until he defines what he means by the "Gross Income argument." The second part is a statement that has no basis in law. As shown above, "wages" is not listed as "...an item of 'gross income'..." and these items cannot be "...from a taxable source..." because sources are geographical not "items of gross income." And these "sources" being foreign, they cannot "...be subject to the withholding of the income tax [sic] in § 3402," for there is no lawful authority to force withholding in a foreign country. The only foreign sources where withholding can be enforced lawfully is within the possessions and territories of the United States. Last but not least, the tax in § 3402 is not an income tax but rather a wage tax; in fact it is none other than the evolution of the voluntary Victory Tax Act of 1942. Just further evidence that a little bit of knowledge can be dangerous.

Bell's Allegation #12:

The SAPF Fiduciary, John B. Kotmair, Jr., believes that the Subtitles of the Internal Revenue Code are separate from each other and do not mix. This position is held to support the belief and myth that the withholding of income tax at the "source" of payment in Chapter 24 is not the withholding of the income tax imposed in § 1. This is perpetuated despite the fact that § 6051 (not within Subtitle C) is related to Chapter 21 and 24, that § 6012 is related to Chapter 1, that many Administrative Statutes in Subtitle F are related to the Income tax in Subtitle A, and 26 USC § 7806(b) states that the location of a statute is not to be construed as carrying any legal effect.

Answer #12:

In answer to the first sentence, reproduced here is the division of Title

26 United States Code, (the Internal Revenue Code), it speaks for itself:

UNITED STATES CODE SERVICE TITLE 26 -- INTERNAL REVENUE CODE	
SUBTITLE A.	INCOME TAXES
SUBTITLE B.	ESTATE AND GIFT TAXES
SUBTITLE C.	EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX
SUBTITLE D.	MISCELLANEOUS EXCISE TAXES
SUBTITLE E.	ALCOHOL, TOBACCO, AND CERTAIN OTHER EXCISE TAXES
SUBTITLE F.	PROCEDURE AND ADMINISTRATION
SUBTITLE G.	THE JOINT COMMITTEE ON TAXATION
SUBTITLE H.	FINANCING OF PRESIDENTIAL ELECTION CAMPAIGNS
SUBTITLE I.	TRUST FUND CODE
SUBTITLE J.	COAL INDUSTRY HEALTH BENEFITS
SUBTITLE K.	GROUP HEALTH PLAN PORTABILITY, ACCESS, AND RENEWABILITY REQUIREMENTS

Notice that Subtitles A through E are different categories of taxation, Subtitle F is Procedure and Administration and the rest are miscellaneous. §§ 6051, 6012 and 7806 are in Subtitle F, which is the subtitle that implements the five different categories of taxation. As for Chapter 24 being imposed by § 1, that was addressed above as coming under the void for vagueness doctrine.

Bell's Allegation #13:

The SAPF Fiduciary, John B. Kotmair, Jr., claims that the 1040 Form is not directly related to Section 1 of the IRC in regard to U.S. Citizens. He uses a Table located in the Internal Revenue laws to support his position. This is done despite the fact that the Tables within the Code and Regulations do not constitute legal basis under § 7806(b). He further fails to refer to the direct evidence of the OMB Form SF-83 for the IRS Forms 2555 and 1040 to prove their point, and thus gives the people an argument lacking in any legal and statutory merit, even though the conclusion is correct. (There is a distinct difference between being right, and being dead right.)

Answer #13:

This allegation displays Bell's inexperience and the convoluted thinking he applies to his research of the law. First, he cites § 7806(b) correctly regarding "tables of contents" etc., but from there it is all down hill. The major problem is his lack of thoroughness and his inability to understand what he is reading, which we experienced continually while he was working at SAPF. The point is, the list that is used to prove that the return to be used for § 1 is Form 2555, Foreign Earned Income, is not a "table of contents" as such, but rather an actual list of OMB Control Numbers that the Internal Revenue Service is required by law to display within the Internal Revenue Regulations, (Part 602). This list identifies the code section and the implementing regulation that the particular tax return, as identified by an OMB Control Number, is authorized for the use of; and has the force of law. And as for his allegation about the related Office of Management and Budget's Form SF-83, we published this document in the Fellowship newsletter, Reasonable Action, back in the 1980s and is one of the exhibits in both of our video productions Evidence

That Demands Action and Just The Facts, both of which were published before Mr. Bell's employment at SAPF.

Bell's Allegation #14:

SAPF fails to inform the people of the use of the IRS Form 4852 in the refuting of the claims of employers and payors reported to the IRS, that gross income was paid to the Citizen. This failure leaves such claims by these third parties as prima facie evidence (on W-2's, 1099's, etc) in the administrative record, as opposed to using the IRS Form 4852 to controvert the records of the IRS and a create a continuing controversy that could well fend off any future attacks and investigations of the IRS Criminal Investigation Division (via the establishment of a long standing administrative record on IRS forms and documents).

Answer #14:

This is just another example of Bell's inability to understand the laws he is trying to use and his faulty judgment in planning and implementing tactics and strategies. Internal Revenue Publication 676, Catalog of Federal Tax Forms, Form Letters, and Notices, defines the use of Form 4852, Employee's Substitute Wage and Tax Statement, thusly:

Form to be used by taxpayer to estimate gross wages received and income and FICA tax withheld in absence of a Form W-2 from employer. To be attached to Form 1040.

As you can see for yourself, Bell has trouble understanding what he is reading.

Bell's Allegation #15:

SAPF makes its first mention of the Administrative Appeal rights by referencing the Appeals Conference. The old

Publication 1 (available in the Members Hall) prior to 1994, the Publication 556 and 5, reveal that the Appeals Conference is the Final Appeals meeting with the IRS prior to the NOD, and the final Appeal on the facts of the case. The next Appeal is either the Tax Court or the Collection Appeal. Since the Fellowship does not follow the IRS procedure, nor read its publications of same, it cannot, and refuses to see that there are two other appeal steps prior to the Appeals Conference. This causes them to completely miss the originating IRS meeting where prima facie evidence (on W-2's, 1099's, etc) and witnesses (employers payroll dept.) are used to make a complete Administrative record for any appeal to be meaningful.

Answer #15:

This is, once again, a total misrepresentation of fact, procedure and law. We're not alleging that Bell is misrepresenting the facts, procedure and law purposely, as evidenced above. Quite possibly he does not have the capacity to understand what is going on. I've come to this conclusion after employing him for a few years and answering his obtuse contentions.

First if our members (the only individuals we work for) were subject to the tax we would agree with Bell. But the problem with what he says is that they are not subject to the tax assessment proposed by the Internal Revenue Service. Secondly, not being subject to the tax assessment, the jurisdiction of the Internal Revenue Service to assess is challenged with a written protest according to the rules within the regulations. Thirdly, the NOD that Bell refers to, is a "Notice of Deficiency," which the authorizing statute, § 6212, very clearly reveals can only be issued to citizens and resident aliens for a shortfall in a tax return submitted by them when reporting foreign earned income. If Bell wants to support his customers by advocating that they are subject to the tax on the income and using procedures available for that purpose, that is up to him. We see no difference between this and

what accountants, CPAs and/or tax attorneys are generally doing. (Of course, knowing him as well as we do, we do not believe he actually understands this.)

Bell's Allegation #16:

Since SAPF refuses to recognize the authority of the IRS, it seems to bury its head in the sand regarding its power, as it ravages its members for casework fees on a weekly basis. Since it refuses to even consider the IRS' authority, it also refuses to consider the IRS' administrative procedure, which could be used by the person to press:

- a.) their right to Administrative Due Process of Law,
- b.) the right to make a complete administrative record,
- c.) the right to examine the prima facie evidence (which SAPF refuses to acknowledge to exist but instead spends the person's money on seemingly endless FOIA requests for computer records), and
- d.) the right to confront and cross-examination of adverse witnesses (employers etc.), so that a defense and argument of legal and statutory merit could be made that might just bear the burden of proof if not shift it to the IRS.

Answer #16:

This is just further evidence of what we say about Bell's ability to understand what he is taking about, and his convoluted self-serving view of things. The "...administrative procedure..." has been answered above and we will not be redundant by doing it again. As for our ability "...to recognize the authority of the IRS..." if you have not already noticed for yourself, read Bell's preceding allegations and you will see that he contends in some of the allegations that we must know what this authority is, and in other allegations that there is no doubt that we know what this authority is. If our conclusion about his abilities of discernment and understanding of what he is reading is wrong, then the only other conclusion that can be drawn

is that he says things that suit his purposes whenever they are needed.

Bell's Allegation #17:

SAPF claims to be helping people exhaust the Administrative procedure. In light of the fact that it

- a.) does not follow the legal process, and
 - b.) denies the members the opportunity to complete the above tasks,
- it is only exhausting the people's time and money so that they will be left with no time, rights, or remedy to halt IRS collection actions against what is left of their money. (Is this evidence of duplicity in word and action?)

Answer #17:

Again, we will not be redundant and address in detail the administrative procedure allegations. But because we are following the proper procedures to challenge the jurisdiction of an erroneously or illegally assessed tax, that makes the rest of the allegation in 17 above, not based on fact, but on an assumption based on wishful thinking, and/or a willfully malicious and slanderous attack.

Bell's Allegation #18:

Since SAPF refuses to see the Administrative Process in its entirety, it misses the opportunity to make cases for its members purely upon the denial of Administrative due process of law. Its focus is all on the issue of Judicial due process, and the 5th Amendment does not assure Judicial Due Process, only due process.

Answer #18:

It is only in Bell's mind and not in the real world that we are not using administrative remedies afforded the members. His remarks about judicial due process, the 5th Amendment to the United States Constitution and it only affording "due process" rather than

"Judicial due process," is prima facie evidence his lack of knowledge of law and/or procedure. What other type of due process was afforded before 1946, the year of the passage of the Administrative Procedures Act? What were the framers of the Constitution talking about if it was not the courts? There were no administrative agencies of government. Anybody that reads Bell's statement in Allegation 18, and desires to partake of TAXGATE's services thereafter was described by P.T. Barnum in his famous statement about one being born every minute, and two more being born just to take advantage of the one.

Bell's Allegation #19:

Since SAPF is not focused on Administrative Process, nor the evidence of the case, without these elements, it can create no justification before the IRS and the Congressional Officials to convince them to remand the case back to the beginning of the IRS process, where

- a.) Administrative Record must be made, and
- b.) the Federal Courts state that we must seek to resolve the matter.

Answer #19:

Again we will not be redundant by answering the false allegations with regard to administrative appeals. But we will address the false statement about the federal courts. All one must do to have standing in any court, when in a controversy with a government agency, is to exhaust the administrative procedures established by that agency before filing an action within that court. This, the Fellowship does routinely, which is evidenced by the hundreds of court actions it has handled for its members. It was not part of Mr. Bell's duties as an employee of SAPF to handle court actions on behalf of Fellowship members. In fact, if the truth was known, Mr. Bell probably is not doing that for his customers now. He has admitted on many occasions that he has no such knowledge.

Bell's Allegation #20:

SAPF can never gain from my efforts and adopt them, as John B. Kotmair, Jr., the SAPF Fiduciary, would have to admit that someone half his age unearthed the keys to this whole mess that he has missed or ignored for over 15 years. He would also have to admit that he was wrong about many things as he collected a lot of money for useless, off-point letters that did not address the administrative procedure. This would publicly destroy any faith in the organization that is built upon his beliefs that have no more legal validity than the superstitious beliefs of the masses who have never read the law.

Answer #20:

This is a willfully malicious and slanderous statement that has no basis in fact as evidenced by Bell's continual refusal to debate, and the facts as they stand herein. If it were not for the good of the movement and a drain on the Fellowship's resources I would sue him. But instead, I will express my pity for him, and pray for him and his family, as they surely need it. When Mr. Bell did not show up for the debate he called for in March of 1998, the Fiduciary responded in writing and forward his response to Mr. Bell and Mr. Haraka by certified mail, neither of whom has seen fit to respond. As stated above, Mr. Bell circulates his e-mail about the Fiduciary and the Fellowship but does not bother to include the Fiduciary's responses to said e-mail.

Bell's Allegation #21:

SAPF claims that documents sent to their Members claiming to be Notices of Deficiency are not legal Notices of Deficiency, yet it claims them to be Notices of Deficiency when it is to their advantage to do so, in order to avoid having to send out a membership assessment to remunerate the member for his damages. (Is this evidence of duplicity?)

Answer #21:

This statement is ridiculous on its face. The Fellowship's Member Assistance Program provides that, if property is illegally confiscated from a member by a State or federal tax agency and a valid claim is made according to the Fellowship agreement by a member in good standing, in that case the total of the loss is assessed to the total membership; the return of which is to be forwarded directly to the claimant member. Just one more example of Bell's convoluted thinking.

Bell's Allegation #22:

Should anyone associated with the Fellowship discover any information, which would help the movement as a whole, he or she is ignored for great periods of time as he/she seeks to bring the information and tactics forward (meanwhile many people are being damaged without any hope or aid by the information). When the information is finally accepted, the Fiduciary claims that he discovered it. If even more information is discovered that evidences a need for the adjustment of the Fellowship's position, and any urgency is expressed regarding the need to immediately aid the Members in conflict with the government with this information, the researcher is derided with name calling and an obstinate grip on beliefs now exposed as error. (Is this evidence of duplicity?)

Answer #22:

Just one more rambling false statement made by Mr. Bell that he does not and cannot substantiate.

Conclusion:

Mr. Bell's statements speak for themselves. Since each of his fallacious allegations either betrays any possible

See LUDICROUS Page 18

A Love Letter from the IRS

Have you ever received one of these?

There are several interesting form letters that the IRS has contrived in order to try and plug the dike; to stop the bleeding as they perceive it. From our perspective, they are only prolonging the inevitable. The government must retreat to a position within the bounds of the written law.

In this brief article, I hope to give just a quick sketch that will provide rhetorical ammunition for those members who are trying to explain our position to friends and family [not affiliated with MCI].

Many of our members who have had some correspondence with the IRS in the past have received this particular letter in [non]response.

I have broken the letter down into brief sections which will be headed "IRS Says:" and responses from SAP headed "SAP Responds:".

The letter text is complete as it was received by a member from the office of the District Director in St. Paul MN over the signature of one Burt Johnson. Please realize as you read, that, since the IRS makes absolutely no attempt to give a substantive answer to any point that had been legitimately raised by the member, we are left with a scene where perhaps the best we can do is expose that fact and lay open their empty rhetoric to the public ridicule it so richly deserves.

It would be a mercy if this IRS letter were atypical. It is not. This one does have a certain entertainment value. I hope you enjoy our treatment of it.

IRS Says:

Dear Mr./Mrs./Ms. [Patriot]:

We recently received correspondence from you which is similar to correspondence received previously from known tax protesters. We are writing you to express our concern with your letter.

SAP Responds:

Nondescript vague generalities: "similar to?" Who cares whether the IRS is "concerned?" If they are "concerned" let them obey the law! Let them answer questions regarding their limited powers under the law. I'm sure the President is "concerned" too. Would that the Congress were "concerned" enough to REMOVE him.

We are not ready to consider the "concerns" of IRS employees - only their lawful responsibilities. Perhaps Burt should consult with his pastor or his shrink. His feelings are not something we are presently interested in.

IRS Says:

In the past we have been involved with some individuals who have been discouraged with the income tax system and the amount of taxes that they are paying. This discouragement sometimes leads to the individual coming in contact with another person who claims to have an easy answer. This person is

usually involved in a groundless tax protest scheme that he/she is making available for a fee. Unfortunately, the only one who benefits from these schemes is the seller of the information package.

SAP Responds:

Again we see a total absence of substance regarding issues of law. We don't promote any easy answers to be sure. Our members know we are not primarily interested in saving money or even in reducing tax obligations that we lawfully may owe - only the return to the rule of law and the Constitution. All of the material of this type that exudes from the prodigious fiction writers at the IRS has yet to be backed up by one brave soul who will come here to prove any of it. It is all psycho-babble. If we make any exorbitant amounts of money here I would like to know where someone is keeping my "fair share." We consistently ask anyone who is just fed up with paying too much tax to get a "good" tax professional who can, in all likelihood, reduce what they think is their obligation to a limit that is more comfortable for them. We don't want members who are only joining to save a few bucks.

IRS Says:

The purchaser of this package, by following the instructions of the

See LOVE, IRS Page 15

From *LOVE, IRS* Page 11

seller, eventually ends up paying all taxes rightfully owed in addition to a substantial amount of penalties, and may even be prosecuted criminally. These consequences are the result of a theory or scheme presented in such a manner that it sounds legal, when in actuality it is not.

SAP Responds:

The statement above does not square with reality *in this universe*. The fact is that (out of the other side of their mouth) they admit that only a tiny percentage of those who don't file and pay are ever prosecuted or convicted. We guess that there are more horror stories for citizens and businesses who have filed returns than those who have not. Further, I would like to ask this clever lad just what (in his mind) is the lawful substance that must be combined to arrive at "all taxes rightfully owed." Would he like to demonstrate how this statement relates to the written tax laws? We don't present theories or "schemes" that "sound legal," we present volumes of documents and insist that members come to their own conclusions and make their own decisions. If this gifted IRS propagandist wants to refute these documents, let him come here. We are not talking about schemes. We leave the scheming to those who would conceal the truth and run from the documents.

IRS Says:

We have enclosed educational material to hopefully answer some of the questions that you may have. Please take the time to read these items over.

SAP Responds:

The pamphlet enclosed with this letter was pure psycho-babble. If they ever want to defend that trash publicly they will be made to look as foolish as they deserve. As an example, Tax Court decisions are held up as being real court decisions. The Tax Court has no jurisdiction with regard to employment taxes - the only taxes most American have ever paid to the federal government [Code of Federal Regulations Part 600 to End - Section 601.102].

IRS Says:

This letter was issued as a deterrent and will serve as notification of the illegality of tax protest schemes. Any acts determined in the future to be that of an illegal tax protester, will be punishable to the full extent of the law. This letter and the attachment reflects our position on the items you address in your letter and we do not feel it is productive

to restate this position over and over. Therefore, any further contact regarding these same or similar issues will not be addressed.

SAP Responds:

Since this letter and the pamphlet enclosed say absolutely nothing with regard to any position or statement by the member of the Fellowship; and since the IRS is being deliberately vague, we can only conclude that the letter accomplished nothing more than a veiled threat. We cannot think it would have any importance in a court of law since it never touches on relevant issues of law raised in the letter from the member that it pathetically pretends to address. I guess we're supposed to read the word "deterrent" as a threat that the IRS will continue to be more and more arbitrary in its enforcement tactics. As to their restating "this position over and over," we would be somewhat relieved if they never send out another copy of this pathetic joke of a response. Let's get down to an on-point discussion of the law and the facts - not rhetoric and childish efforts at propaganda. If the rumor is true that the IRS trained the KGB, I have my doubts as to whether their writers could have ever helped Pravda.

Perhaps the agent should have said: "Make sure you don't have any property

See *LOVE, IRS* Page 18

LIGHT IN THE DARKNESS

A video presentation of actual interviews with the defendants and members of Franklin Sanders' church.

Available directly from S.A.P.

☎ 30 FRNS + 4 S&H

Reflections on the longest tax trial in history wherein 17 defendants were acquitted of a 33 count indictment. The principal defendant was Franklin Sanders, and his defense attorney was Lowell [Larry] Becraft. After the long ordeal, the government came up with nothing but *egg on its face*. Now you can see and hear the rest of the story [in a way you're not likely to get it from Paul Harvey] from the people who lived it. Their faith and perseverance in the face of what seemed like insurmountable odds, is an inspiration to us all.

The Tape is a Testimony to the power of God in the face of government oppression!

- Franklin Sanders

From LUDICROUS Page 10

understanding of the most basic elements of English grammar and statutory construction, or; lacks any fundamental ability to discern clear fact and reason when presented with such, or; evidences a serious shortcoming of the basic, common sense necessary to the most fundamental ratiocination, or; simply displays a petulant and sophomoric nature fueled by a megalomaniacal ego, or; all of the preceding in toto, we can only conclude - and sadly so - that his specious reasoning and pejorative invective can only be attributed to the feckless acts of a hubristic blatherkite.



An immense effect may be produced by small powers wisely and steadily directed. - Noah Webster

From LOVE, IRS Page 15

that we can get our hands on, because we will try to steal it as soon as possible. We know the banks and all other third parties will hand over your property simply because [as they have often stated] they're more afraid of us than they are of you. We don't even need to worry about the lawfully required court orders either, because everyone is afraid of us - even your Congressman."

Citizens have a right to have their questions as relate to the written laws of the United States answered by COMPETENT government SERVANTS. They have a right to expect government employees to answer to, and obey, the law. A letter like the one discussed above does not "reflect" on anything lawful. It does reflect on the character of the writer and the agency. In that respect it comes as no surprise to us.



return to the study of the law and the Constitution.

Yes, before we can build an American bridge to the 21st Century, we must repair the bridge to the 18th. Whatever we choose to ignore from that period will continue to haunt us until we acknowledge and learn the aspects of political technology that were mastered in that period.

If you "Don't Stop Thinkin' About Tomorrow," there is no time left to think of the past, and in particular, the most important aspects of history - that teach us that those who ignore it are condemned to repeat it. Sadly, we live in a generation so ignorant of history that they may repeat it without ever knowing. This is a generation that is primed for false messiahs.

The Republicans will get no free rides here. Americans must realize their "Contract With America," has as much Constitutional substance as Mr. Clinton's "Bridge to the 21st Century." A government that has outgrown its Constitutional size cannot afford to talk substantively about its past. Its history must be continually revised as one must have clothing let out to accommodate gradually added pounds. The mirror provided by Madison, Jefferson and others, may be too painful to look upon at first, but look we must, if we are to survive.

Before anyone thinks we advise the Perot "fixin' it" approach, we must point out that the national awareness of these matters is now at its lowest ebb. We are at least as ignorant as we have ever been, and therefore in a state of national jeopardy and imminent danger.

What we can do is gradually get out of our national denial by beginning to get out of our individual denial. Lexrex will provide the Bridge to the 18th Century. We will continue to rebuild it, piece by piece with larger and larger information and educational projects, and more useful tools for restoring the knowledge of the past, particularly in the realm of political technology.

There are already many Americans committed to this task, some of which have never had access to the documents available here. We are already seeing their excitement grow as they pick up these tools once more and as they confirm that they were not going crazy. The America they were trying so

Repair the Bridge to the 18th Century!

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There are those who build bridges, those who burn bridges, and those who repair bridges.

President Bill Clinton has told us he wants to build a bridge for us, to the 21st Century. To be fair to him, he wants to build it with our help. He seems to want to "build" on his past success by continuing the theme of "change" that became the non-substantive chant of his first presidential campaign. It must be working according to whatever polls are significant to his White House works.

As Mr. Clinton tries to distance himself from his own past on a daily basis, with an ever-growing hoard of attorneys and apologists, he provides

for us a metaphor of what America is doing. Unable to cope with her past, she is gradually condemning herself to a dysfunctionally rosy outlook for the future. False hopes that she can be great, without being good, are making her more and more pitiful to look upon, not only by her own most well-informed citizens, but by the rest of the world. She still possesses almost of all of the great documents and political tools to return to her original glory. The depth of denial has increased with each decade of her deliberate and willful ignorance. I do not speak of denial by ordinary citizens that have been reduced to a treadmill existence and carefully spoon-fed an education for "competition in the global marketplace." The mental nutrition available in a typical history or political science course is not quite up to the MDR that was standardized during the Founders' generation. Law schools are far worse.

Anyone who doubts America's public and pervasive ignorance of our original values and philosophies need only spend a little time here at lexrex.com and breathe in a little of what made America rise to the heights of national greatness; a status that was well deserved. We don't need to commiserate anymore about our ignorance. We need to roll up our sleeves and

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Reasonable Action

★ Liberty ★ Justice ★

MILLENNIUM BUG SOLVED HERE

In the year 2000 an apocalyptic catastrophe will occur, because virtually everything that happens around the world depends on computers functioning properly. Some every economy in the world will collapse. There will be no food on supermarket shelves anywhere. Vegetables will suddenly stop growing in the fields. The skies will darken. The sun will no longer shed its light since it was previously programmed to work only up to the year 1999 and is controlled by a small microprocessor from Taiwan.

Perhaps best of all: VCRs will stop flashing "12:00P.M.," [another ambiguity since "12:00P.M.," doesn't really exist in the first place. It would have to display either "12:00 Midnight" or "12:00 Noon." No wonder no one could figure out those things].

As the rhetoric and speculation continues over whether "Y2K" is a real or contrived problem, we want to boldly state that the solutions for all of our governmental and economic problems remain the same. Go ahead and have your real or virtual apocalypse or don't have one, and the natural laws will still be waiting for you to re-discover them.



See *YNOT2K* Page 4

**Statement of Purpose
for the
Save-A-Patriot Fellowship**

The S.A.P. Fellowship is a 1st amendment association dedicated to seeing that IRS and other government personnel obey the law. Our association recognizes the necessity of taxation (raising of revenues) but we also recognize that this necessity has provisions in the law, and that the government, in meeting its exigencies, may not extend its activities beyond the law.

The Fellowship actively promotes the study of the law and the assertion of one's rights in accordance with the law. It does not "protest" or "object" to any tax, income or otherwise, and is NOT a "tax protest" organization. However, Fellowship members believe that many Internal Revenue Service (IRS) employees routinely misapply and illegally enforce the provisions of the law and that the public must find a way to hold them within the law. To that end the Fellowship educates the public, shows in its publications what the law actually says, and attempts to clarify the limitations of various tax laws as was intended by Congress. The Fellowship does not advocate or condone unlawful resistance, protest, or other like actions.

However, as law abiding citizens we will not tolerate illegal threats, intimidation or acts of violence by government employees who exceed their authority under the law. The Fellowship has researched and developed legal defenses to help prevent this and to protect our Liberty and Property.

The Fellowship believes that this has become necessary because too many government bureaucrats have been relying on unlawful and un-American tactics such as fear and intimidation to keep the public "in line" in order to perpetuate their own private agendas. They have and continue to use the news media to plant stories suggesting that resistance is useless and reprisal is swift and financially painful. These "reminders" and a lifetime of conditioning make it difficult for most people to assert their rights. However, S.A.P. Fellowship members have joined together to help remove the risk by pledging to assist one another!

To our knowledge, there is no insurance company willing to buck the system and insure Patriots against criminal acts of government agencies or their employees. Creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submission to the dictates of the Insurance Commission. In no time at all, we would have been expending funds fighting legal actions just trying to survive. It would have also been necessary to protect such funds from the searching eyes of the IRS and other government agencies.

There was only one totally logical answer: a FELLOWSHIP that gives the Patriot insurance-like

protection, hence to Save-A-Patriot!

How Does It Work?

Simply put, Fellowship members pledge to reimburse other members for losses of cash or property incurred by illegal confiscations. This is done by spreading the reimbursement costs to all members. For example, suppose that after a valiant and stubborn struggle through the phases of the legal maze, a member were to lose his vehicle to an illegal seizure. Let's value the vehicle at 9,000 Federal Reserve Notes (commonly called "dollars"). If there are 10,000 members participating in the Fellowship, S.A.P. would verify the loss and apportion the liability at a rate of .90 cents per member. PRESTO! Mr. or Ms. Member Patriot suffers NO loss and his friends' fear of possible IRS retaliation is gone! Real-life examples such as this have convinced "closet" Patriots to join the S.A.P. Fellowship in droves! Welcome to the Constitutional Revivalist Movement!

The surest and safest protection of funds is to keep them in the hands of the members. The only money to be sent to S.A.P. Headquarters is the annual 70 FRNs membership participation fee. This is tendered in FRNs (cash) or a totally blank Postal Money Order (cash can be sent by certified mail). S.A.P. maintains no bank account, so checks or money orders made out to "S.A.P." can't be endorsed and cashed. The membership fee is used for the administrative needs of S.A.P. — staff, rent, phone, printing, postage, etc. After verification by Headquarters of losses to claimant member, an apportionment is sent out to the membership; you send payments DIRECTLY to the claimant (or their beneficiary)! S.A.P. merely verifies that all members have met their assessment obligations by a simple procedure.

Payment For Incarceration. There are still occurrences when a Patriot is criminally tried, convicted and jailed. This is the most difficult financial burden to individually shoulder. Therefore, it is the stated policy of the Fellowship to assess for the beneficiary of each incarcerated Patriot 25,000 FRNs per calendar year, during the period of actual incarceration. To the best of our knowledge, there have never been more than 30 Patriots in jail after conviction at any one time. At this rate, and assuming that all were covered S.A.P. Fellowship members, this protection would cost 10,000 members 75 FRNs for all those jailed. If there are 80,000 members participating, it would only be 9.38 FRNs each for all 30 beneficiaries!

The figure of "80,000" is in line with a 1984 federal estimate of the number of participants with-

in the so-called Tax Patriot segment of the Constitutional Revivalist Movement. Using this figure as our goal for total Fellowship participation, we could increase the incarceration payoff amount to 100,000 FRNs each per calendar year and it would only cost each member 37.50 FRNs to support the 30 jailed members! With this kind of hard-cash protection, Americans will not only lose their fear of the IRS, but will almost be standing in line to go to jail!!! Even IRS agents could not resist such an offer!

In other words, remove the financial threat to the average American individual citizen, and the IRS's house of cards will collapse! — AND LIBERTY WILL ABOUND!!

Reasonable Action Newsletter

The RA is the Fellowship's tool of Education. It is available only to Fellowship members by paid subscription, at 35 FRNs per year for six (6) issues. (See page 23 of this issue for a subscription coupon.) You are holding in your hands one of the most highly respected Patriot publications in the country. It is the culmination of over twenty years of blood, sweat and tears of thousands of named and unnamed Americans. The articles appearing on these pages represent the state-of-the-art in legal understanding of the United States system of income taxation. You will not find any groundless "far-out" theories. You will find thoughtful, provocative articles, discussions and opinions that are grounded in fact and logic. The editors strive to ensure the accuracy of all the presented writings, insisting that the authors give attributions so the reader may verify the accuracy himself. As a matter of principle, we recommend that as each article is read, a copy of the Internal Revenue Code be close at hand. Education is the key to throwing off the (imaginary) chains of IRS bondage! Remember—an ignorant public is the IRS's best friend...an educated citizen is the IRS's worst nightmare!!!

**SUPERCEDED by
the VICTORY EXPRESS
See Issue #229**

ATTENTION!!! SPECIAL NOTE TO READERS

The information presented in the various authored tax-related articles and editorials is based on what the writers believe to be true. The editors of this publication strive to ensure that all information appearing on these pages is based on fact and represents the state-of-the-art in understanding the income tax laws as administered and enforced by the Internal Revenue Service. However, we strongly advise that the reader personally verify the accuracy of the information himself. A general disclaimer is now presented: The authors, editors and publisher of this newsletter make no guarantees, nor will be responsible, about the uses for which anyone may use this material.

NOTICE

The Save-A-Patriot Fellowship and the staff of the Reasonable Action Newsletter strongly believe that everyone must file whatever returns the law requires them to file, and pay any tax due for any liability as shown thereon in a timely and conscientious fashion. We do not condone the willful non-filing of required returns nor evasion of such taxes. No article published in any edition of the RA should be construed to encourage the "protest" of any such tax or filing requirements, or as an endorsement to rebel against any government agency having lawful approval for, and lawful authority to request information, or to carry out the provisions of any of the laws of these United States. We disseminate factual information about federal and state law as well as the Constitution of the United States. We also encourage the study of those laws, and the assertion of one's rights in accordance with the law.



S.A.P. OFFICES (410) 857-4441 N.W.R.C. OFFICES (410) 857-5444 FAX (410) 857-5249
 FREEDOMNET COMPUTER BULLETIN BOARD SYSTEM (BBS) (410) 857-4455 NAT'L CONFERENCE CALL (916) 681-4005

WHAT is ContractSelect, Inc. ? See ad - page 21!

NEW WEEKLY NATIONAL CONFERENCE CALL
Call (918) 222-7005, enter passcode: "1040."

Regular long-distance charges only apply. Each Wednesday evening at 10:00PM (EST), Andrew Earp, Head of Seminar Services will host an overview of the Fellowship, geared towards prospective new members. If you have any difficulty getting on the call, please call the office during regular working hours for additional instructions.

**LIBERTY WORKS RADIO NETWORK
 CONSTRUCTION BEGINS HERE**

What happens when a group of the most controversial talk show hosts get together with the Save-A-Patriot Fellowship to launch a national radio network? If you've been talking to relatives, friends, neighbors and co-workers and telling/teaching them about the vital issues and depth of research and documentation that has made this Fellowship one of the most unique events in modern American history, you have some idea of what might happen. We have always known that most of the people who still have hearts, brains, and courage, are living in the American heartland. *That doesn't mean anyone in Beltway Land gets a break!* Now we will begin to reach the entire nation in even more economical, efficient and synergistic ways. Imagine being able to stop in at your local AM radio station and the station is just barely making it because they are the only competition for Rush Limbaugh in your area. You make an appointment with the owner/manager/program director and explain how they can now have powerful, entertaining, and *truth-packed* content. The cost to them: as low as NOTHING. They may now be paying good money for programming that can't compete. The manager will be able to immediately sample Zoh Hieronimus [probably the hottest talk show talent alive] and other great talents from the Internet. If he doesn't respond immediately, it will only be a matter of time. We will be able to compete because there has never been a time in history when someone can reach so many people with such modest resources. **These are exciting times and we are ready!**

WE ARE ONLY A FEW WEEKS FROM OUR FIRST BROADCAST!



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From YNOT2K Page 1

While we won't be so presumptuous as to rule out a Millennial Kingdom, we see no reason for this generation to qualify for a special deliverance or dispensation, being almost completely in the dark with regard to the sufferings that have attended previous outbursts of liberty.

Either the Founding generation really knew what it was talking about, or it did not. But they will not be refuted by a generation that cannot tell the difference between up and down without a Gallup Poll.

Unless this is the last go-around, we will all have to pick up whatever pieces remain and start over again. Hopefully, the people will not be deluded into trusting any new false saviors as is apparently their *modus operandi* for responding to life's bigger challenges.

The real solution to the "Millennium Bug" or the "Y2K" problem is as plain as the nose on your face. THE LAW, is sleeping and waiting to shine forth and solve all of our meaningful problems that are humanly solvable. The rest is by definition up to Providence. So pray the *serenity prayer* and get back to the business of learning and then *enforcing*, THE LAW!

We are not talking about more and more powerful and dangerous law enforcement agencies. We are talking about the American people being empowered to self-government once again by being intelligently involved in the entire process. The ignorant, wicked and lazy American people will be in jeopardy with respect to all real as well as contrived problems for as long as they want to remain wards of the government god.

What are some of the practical ways that lawful law enforcement can help immediately, in addition to helping us get over any of the contemplated calamities of the Y2K problem?

DOWNSIZE FIRST

As a society, we must take a long hard and honest look at how many

occupations are really thriving parasitically on a false economy that wouldn't exist if we adhered to our original principles. There would be no "make-work" employment anywhere. How many accountants would it take for "filing season" if the IRS were only collecting lawful taxes from subjects made liable? How many computers would the Fed need if we went back to lawful, Constitutional money? Would we really need a Wall Street in an honest lawful economy? How many people should be able to sustain themselves merely through speculative investments in those who are the real creators and producers of goods and services?

To illustrate what I'm getting at above, consider a recent New York Lottery ad. I'm not making this up. They advertised the New York Lottery by saying, "We won't stop until everyone is a millionaire!" Think about that little jingle for a while. Why didn't they just say, "As soon as we have enough inflation, everyone will be a millionaire!" At this point a statement like that might not raise many eyebrows. "We've come a long way baby."

As an example: consider the existence of toll booths on the interstate highways. A thousand other examples will come to mind, but toll booths are an excellent place to start. Taking tolls in this manner is not inherently productive. If one would argue that the funds support highway development, it can be stated that a simple increase in fuel tax could bring in greater revenues and eliminate all the salaries and building costs related to the toll booths. A mere rate change in the excise tax could eliminate all of the expenses related to collecting a revenue by this obviously outmoded means that came down to us from feudal Europe. Tolls were charged by feudal lords to purchase safe passage across their fiefs.

There would be a tremendous safety benefit - a no brainer, but here it is: Interstate 95 toll booths were eventually removed in southern Connecticut because the heavy fog there had combined with the toll booth hazard to precipitate many horrendous multi-vehicle accidents. It took several 100-plus vehi-

cle pile-ups to get Connecticut to believe something that would be obvious to any three-year-old. *Do we ever have heavy fog anywhere else that there are toll booths?* What will it take for us to remove them and make sure the Maryland Transportation Authority or those "authorities" in many other States don't have more blood on their hands? I guess governments are exempt from liabilities caused by their cognitive disabilities about so many things that appear to be axiomatic to the thinking public.

Of course we know the toll booth jobs are entry level for government *cronyism*. It would seem highly likely that the average politician would have a lot of equally useless relatives in need of "work." It does seem to work out that way. After all... *charity begins at home*. Elizabeth Dole I understand, not to be perceived as a Mother Teresa type, humbly accepts something over \$700,000 a year to head the American Red Cross. Did she get that job because of her personal humanitarianism? You don't suppose she got that position because her husband was Senate Majority Leader, do you? Remember, Bob Dole left a podium when Steve Forbes asked him how he got to be a millionaire while working in Washington on a Senator's salary. Have we "found" another \$700,000 that the Red Cross could invest in Y2K solutions?

It would be quite a stretch to imagine how being a toll collector could be seen as a noble calling that we always wanted to be when we grew up. In a just society no one would have a self image low enough to accept many of the make-work government jobs that have resulted from decades of pervasive government corruption. How many brothers-in-law can one politician have? How many useless eaters can we carry around on our backs?

When the Republicans got blamed for shutting down the government, they missed another incredible opportunity to seize the high moral ground - something they apparently would never recognize. They abandoned their con-

stituents who had been sending a loud and clear message: "DISMANTLE THE WELFARE STATE, WE DID THE MATH!"

Had we separated some of the sheep from the goats? The "nonessential government workers" had all been sent home. Why were they allowed to return? Couldn't we have set up a military blockade to keep them out of their offices? What were we thinking? Should America have more people working in the Agriculture Department than in farming?

Not only lawful, but "low tech" solutions might contribute to our long-term survival of the Millennium Bug as well as whatever "bug" it is that keeps our servants in government from obeying the law and applying common sense solutions to government problems.

High tech "modern" solutions are always best, right? *WRONG!* The notion that anything new is good, is short-sighted and shows great ignorance of history.

After the Revolution of 1776, an historian made an interesting observation from which we might be able to glean some wisdom with regard to self sufficiency and true independence. In his book, *A History of the United States of America*, the Rev. Charles Goodrich, commenting on the effects of the Revolution upon Arts and Manufactures, states *The trade with England, during this period, being interrupted by the war, the people of the United States were compelled to manufacture for themselves. Encouragement was given to all necessary manufactures, and the zeal, ingenuity, and industry of the people, furnished the country with articles of prime necessity, and, in a measure, supplied the place of a foreign market. Such was the progress in arts and manufactures, during the period, that, after the return of peace, when an*

uninterrupted intercourse with England was again opened, some articles, which were before imported altogether, were found so well, and so abundantly manufactured at home, that their importation was stopped.

In other words, in a time of necessity/emergency the citizens were forced by a chain of events to discover how they could manufacture their own necessities and even some luxuries. They became less *interdependent* than before. Their commercial and economic fate was no longer locked into a co-dependent grid with the rest of the Western World then controlled by the powerful fleet of King George III. The umbilical cord had been cut.

GET OFF THE GRID

So many valuable analogies can be drawn out of this example. Consider NAFTA. Do we want the future of the United States to be forever locked into a co-dependent relationship with socialist Canada and third world Mexico? Can we really help our neighbors by creating international agreements that will drain off the accumulated benefits of our tradition of free enterprise and private property? Are we to allow originally American (now *supra*-national) corporations to continue raping and pillaging every economy of the world as they seek cheaper and cheaper labor while Americans are left with three of the best low-paying jobs each? These corporations have been continually allowed to search out every new member of the club of countries who are willing to club their citizens into providing cheaper and cheaper labor. The Congress gets the campaign contributions. What do they care?

WHY NOT "VICTORY GARDENS?"

During WWII the people were encouraged to do all sorts of things for the common cause and winning the War.

They recycled, they accepted food and gas rationing etc. This contributed greatly to the perception that we were all pulling together.

Was it nothing more than a propaganda device? Did all those tires end up helping the war effort? Were all those cans recycled into war materials? Many believe the recycling efforts were not at all crucial for supplying materials for the war effort, but were a massive object lesson and integral part of war propaganda. Imagine that, government deceiving its own people. How could we even think such a thing might be possible?

The "Victory Garden" was your way of conserving food and being independent of food supply infrastructure. Films were made showing communities of people working together to provide many of the vegetables and fruits for themselves thus making food stores available for the troops. It had propaganda value, but it also provides an object lesson. If there is going to be a crisis related to *infrastructure*, it might be wise not to be dependent on *infrastructure* for the basics of physical survival. It's one thing to be waiting for the government to fix *their* computers so they can continue growing *their* government. It's quite another to be waiting for a Social Security check during that same period of time. Depending on the federal government for your next meal may prove to be unwise in the long run.

Why not open up all federally owned lands [it is a matter of considered disputation that the Feds ever had a right to "own" many of these lands] to those who are willing to lay claim to them and start producing useful agricultural products on those dormant lands? Those who are able to work and are on the government dole can be offered this alternative initially and given notice that all government entitlement programs will be terminated after an appointed date. *Low tech* exclusively private charity can be put on notice that it will have to assume the burden of caring for the truly destitute. The govern-

See YNOT2K Page 8

Victory Expressed

BACKUP WITH- HOLDING THREAT REVERSED - FELLOWSHIP VEHICLE ON-POINT

Although it can be said that the IRS will ignore almost every effort and appeal to force them to operate within the law; and that they will pursue every visible asset that can be attached in any way to a "nonfiler," it is also true that the letters generated by the Fellowship on behalf of members, occasionally fall into the hands of agents within the IRS who respond lawfully. When they do that, they provide valuable examples that we will never forget; that we will document and use to persuade other citizens, other agents, and our servants in government, that the laws as written favor the citizen and protect his property rights; that the Code does not impose "income taxes" on the domestic incomes of citizens within the States of the Union; and that, because it does not, we can prove again and again, that the statutes, regulations, forms, lawful procedures and Internal Revenue Manual directives are entirely consistent with this view. The further we can push the dialogue into the documents in which the laws are made manifest, the closer we are to ultimate victory.

Let's talk tax law!

The IRS has reversed its position in the case of an SAP member who was

being threatened with the potential of "BACKUP WITHHOLDING."

Just knowing the law does not apply is often not enough when the IRS sees the potential of taking assets from citizens or depriving them of some of their honest wages [not as defined in subtitle "C" of the Internal Revenue Code].

The meticulous way in which this letter was developed over combined years of research and experience here, has apparently resulted in an IRS response that was in accord with the law. This does not mean they will obey the law in any other instance. But what does it mean?

It certainly provides a basis for an interesting discussion of the issues involved.

A few questions are raised concerning "BACKUP WITHHOLDING:"

- 1) Is the IRS using provisions for BACKUP WITHHOLDING lawfully?
- 2) Under what circumstances and to whom do these provisions apply?
- 3) What other prerequisites must be met for backup withholding to be lawfully applied in a given case?

The IRS form letter regarding "BACKUP WITHHOLDING" is standard procedure that we believe is geared to frighten citizens not required into filing tax returns. It seems to be just one more nice little attempt at "customer service." It must even work some of the time. Ironically, the first thing the IRS would need according to the law, would be a *bona fide* return filed by a taxpayer who had a lawful liability, without which none of this *customer service*

event can lawfully proceed.

As even a child can surmise from the exhibit on the facing page it is not oriented to address any situation where the recipient of the letter has no filing requirement. The letter is entirely off-point with regard to anyone not required by law to file. It is clear within the context that the backup withholding provisions it is discussing, apply to interest and dividend income. But just whose interest and dividend income and from where must it be derived in order for the backup withholding provisions within the Internal Revenue Code to come into play?

What does the written law have to say?

Sec. 35a.3406-2 Imposition of backup withholding for notified payee underreporting of reportable interest or dividend payments.

"(a) Requirement that a payer backup withhold due to a notified payee underreporting...

(2) Definition of 'notified payee underreporting' means that the Internal Revenue Service has—

(i) Determined that there was a payee underreporting as defined in paragraph (a)(3) of this section,

(ii) Mailed at least four notices to the payee (over a period of at least 120 days) with respect to the underreporting as prescribed in paragraph (f)(1) of this section, and

Some writers have so confounded society with government, as to leave little or no distinction between them; whereas they are not only different, but have different origins. Society is produced by our wants, and government by our wickedness; the former promotes our happiness positively by uniting our affections, the latter negatively by restraining our vices. The one encourages intercourse, the other creates distinctions. The first is a patron, the last a punisher.

- Thomas Paine

From VE Page 7

Blocking Series," IMF (Individual Master File) is described as: "Adjustments with Original Return, unless specified below";

We maintained in our response that the law and the form do not pertain to our member and must have been sent in error by the collection branch.

26 CFR 35a-3406-2(3)(ii) does mention the non-filing of a tax return:

"...(ii) A payee may be required to file a return for such year and to include a reportable interest or dividend payment in such return, but failed to file such return..."

Please note that this section does not say that *non-filing* is the subject or the cause of the institution of the backup withholding procedures. It is very clear in Section 35a.3406-2(a), that the authoriza-

tion and requirement of backup withholding is *payee underreporting* not *payee failure to file*.

Section 35a.3406-2(a)(3)(i) states:

"A payee failed to include in his return of tax under chapter 1 of the Internal Revenue Code..."

Can you "underreport" something you are not required to report or have not reported? Since "underreporting" is a different animal than "nonfiling," we see an obvious problem here for the *obfuscators*.

The subtleties of IRS correspondence are not subtle in the normal sense of the word. They may work when the IRS is engaged in activities designed to extract funds from those who are presumed to be blinded by dread fear combined with "educated" ignorance. However, they are flimsy at best when anyone begins to apply a few simple rules of law and logic. Those who go along to get along are not made of the same stuff as our Fellowship members. The IRS is clearly out of its league when engaged in any controversy with someone who knows the law. The IRS cannot "afford" to study the law. Therefore, the lawful on-point approach uniformly applied by the Fellowship is a blind-sided "sucker punch" to them. It will win every time the truth and the law gets a full hearing and/or application. There is no way for the IRS to go back to scrupulous obedience to law and still be able to "delivuh duh goods" for the Fed[s].

As our readers will remember, there is a list of "sources" within the Code of Federal Regulations at 26 CFR § 1.861-8(f)(1) from which income must be derived in order to be *taxable* for citizens within the States of the Union. All of the sources listed there are foreign for citizens of the 50 States [see Reasonable Action Issue # 231 - especially the article entitled "Whatever"].

Our letter to the IRS further stated: "The purpose of the implementation of Section 3406 and its implementing regulations involving 'Backup Withholding' is found in the April 1990 Edition of 'Federal Income Tax Regulations,' published by Prentice Hall, at 35a.9999-5:

'Summary:...These regulations affect issuers of obligations held by foreign persons and payers of interest and redemptions or retirement proceeds with respect to such obligations.' (Emphasis Added);

OUR MEMBER IS NOT A FOREIGN PERSON

We closed with our usual paragraph informing the IRS agent that our presumptions (which they cannot answer without further incriminating themselves or exposing their ignorance of the law) are sufficient to show that they are attempting a wrongful assessment procedure. Having requested an appeals conference we reiterated that demand in light of the evidence we had exposed.

THE ICING ON THE CAKE

Enclosed with the preponderance of evidence we supplied an Affidavit for the Director of the Service Center to declare *under penalty of perjury* that the tax liability of the member in question was determined in accordance with Title 26 United States Code, the Code of Federal Regulations, the Administrative Procedures Act, the Federal Register Act, the Paperwork Reduction Act of 1980, and the policies, proce-

PRE-MORTEM AUTOPSY of YET ANOTHER LEGISLATIVE SOCIAL SECURITY NUMBER SCARE/HOAX/RUSE

As we venture further into cyberspace, we get e-mails that show how many patriots are taking to this new electronic communications medium *like fish to water*. However, if the tremendous resources of the Internet are to be used effectively, we must be first to stress that, without discernment, one will be chasing phantoms of proposed draconian legislation just like so many other advocacy groups and so-called think tanks. *What fools these mortals be* [Alan Greenspan is laughing in his hot tub].

Without thoroughly understanding JURISDICTION it is possible to get alarmed for no important reason. This often means a great deal of energy and precious resources are being wasted according to "their" plan. It will work almost every time until, and unless we teach the subjects to read and think critically.

The following is just one example. Please study it carefully enough so you won't be fooled by the next one. *There will be a next one!*

From an S.A.P. e-mail response

[Forwarded from Bill Huff, editor of Reasonable Action]

Bill Huff wrote:

Dear Gordon [Gordon Phillips is the National Representative for S.A.P.],

We have been receiving e-mails from those alarmed about the potential of Social Security Number-use laws. Specifically, they believe a change in the below cited text will make it "lawfully" impossible to get a driver's license within one of the 50 States of the Union without providing a Social Security Number.

While almost anything may happen "de facto" nothing "de jure" happens without lawful changes in the written laws that must be made pursuant to the Constitution (but only where Constitutional issues are under consideration). Outside of the Constitution (in the island possessions for instance) the Congress can do much more than is Constitutionally allowed within the States of the Union.

My response to the alarm over the proposed law follows:

Dear "ALARMED,"

Remember the first consideration is JURISDICTION.

What is the proposed law really saying?

(C)(i) It is the policy of the United States that any State (or political subdivision thereof) may, in the administration of any tax, general public assistance, driver's license, or motor vehicle registration law within its jurisdiction, utilize the social security account numbers issued by the Commissioner of Social Security for the purpose of establishing the identification of individuals affected by such law, and may require any individual who is or appears to be so affected to furnish to such State (or political subdivision thereof) or any agency thereof having administrative responsibility for the law involved, the social security account number (or numbers, if he has more than one such number) issued to him by the Commissioner of Social Security.

Shooting Fish in a Barrel

Yes, it is a matter of some considerable concern, and relevant to realize the legislation in question is part of ongoing attempts to erode our sovereignty - whether the legislators are seeing themselves as benevolent utopians, or scheming manipulators. The *de facto*

effect will be the same: more of the media, educational establishment, the general public, and, most devastatingly, the judiciary will continue to "use" the apparent changes in the law to abuse citizens and steal their property.

LET'S TAKE the PROPOSED LAW APART

The "United States" "policy" will be to require "States [the island possessions]" to do what can only be required pertaining to citizens who are under the plenary jurisdiction of Congress within the possessions. However, that doesn't mean we buy into what they are pretending to do. We stick to the guns of the law and the Constitution and continue to teach other citizens so they may do the same.

If we understand jurisdiction as it is revealed in the legal definitions involved, we will not be upset by the proposed legislation as much as the fact that it is being used to surreptitiously usurp *de facto* jurisdiction.

The applicable definitions - 42 USC 410(h)&(i):

(h) State

The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(i) United States

The term "United States" when used in a geographical sense means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Changing "may" to "must" in this statute cannot give the States of the Union permission or mandate to do anything with regard to citizens within the 50 States - the only protected class under the Constitution. To do so would be unconstitutional.

As usual the lawful situation can be reduced to a simple enforcement problem.

The first three things we must know about a new law or a "change" in the law... JURISDICTION,

JURISDICTION,

JURISDICTION!



...while the people should patriotically and cheerfully support their Government its functions do not include the support of the people.

Grover Cleveland, Second Inaugural Address, March 4, 1893.

Avoid Recycled RUBBISH!!!

Always hand the tax code [Title 26 USC] to anyone who comes up with any "new," or recycled *off-the-wall* theory and ask them to show you the clearly written statute that taxes the subject of the *alleged* law they are talking about. Incidentally, this same approach can stop most, if not all IRS agents, in their tracks. In most cases they will have never seen the code, let alone any statute.

STOP PAYING FOR INTERNET!

or... if you're not already on-line, how would you like to have all of the advantages of being connected to cyberspace without any of the recurring monthly expenses?

What's more, you can make additional profits by referring others to the same opportunity. If you think this is difficult, just ask five friends or neighbors who are on the Net, if they would like to be free of monthly charges and have the potential for additional monthly income.

Included with Account: Free 24-hr. Technical Support, 33.6 - 56Kbps transfer Unlimited Access, Over 1,100 local access #'s, Free trial period, No setup or registration fee, 2 e-mail addresses, Free web browser, Income potential, ISDN available.

Earn freedom from paying for Internet access for the rest of your life by referring just 5 customers. It's easy. You will receive all the help needed to get you on-line "free." Income potential is great with the explosive growth of Internet access (3,000,000 new users per month) and a simple, generous compensation plan for network marketing. Join this exciting ground floor opportunity with a solid company and a positive team while the whole country is buzzing with Internet news and wants to be on-line. One toll free call gets you logged on immediately. 10 days free with no obligation. Your savings start when your first referral signs up.

For more information *via Internet* go to one of the following addresses:

<http://www.homefreetogether.com> OR <http://www.syncon.net>

or call toll free (24hrs) 1-800-498-0367

& use referring ID# 980-52-6001

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VEHICLES TO CONVEY PATRIOTS TO YORKTOWN

Notice:

The IRS routinely drops investigations of individuals based on amount of potential revenue, effect on compliance, and other facts of their personal situation, and issues them Form 2358C letters, informing them that they are not liable for or required to pay a tax for a certain period. This does not mean that a person has found a silver bullet that will work in cases generally. It does indicate that the agency is NOT giving individuals equal protection under the law.

Upon receiving IRS mail members should FAX documents immediately to their S.A.P. caseworker or forward via Fed-X overnight mail. Use one method or the other, but not both. You may confirm receipt by telephone.

The VEHICLES are divided into two Categories. POWER OF ATTORNEY or INFORMATIONAL.

All VEHICLES used in our POWER OF ATTORNEY SERVICE, are laser printed for professional quality and you may order the SERVICE or an INFORMATIONAL VEHICLE by telephone from S.A.P. Headquarters M-F 9 a.m. to 5 p.m. Eastern time (410) 857-4441. Please have all of the information needed readily at hand to minimize processing time.

Revocation/Rescission Affidavit

IMPORTANT: this VEHICLE... must precede all of the following VEHICLES... which are used in conjunction with it.

[See RA May/June 1990 issue, pages 5-9, for an in-depth article about the AFFIDAVIT]

S.A.P. provides this legal instrument

for every U.S. citizen and resident alien who has discovered the fact that there was NO legal requirement to file an income tax return and wants to revoke that and all other Internal Revenue Service documents ever filed (W-4, etc.), and rescind his/her signature(s) therefrom. The affidavit is an allegation of "constructive fraud" that confronts the presumption of liability, head-on. According to Title 5, United States Code (USC), "Government Organization and Employees," Section 556(d), when jurisdiction is challenged the burden of proof reverts to the government agency in this case, the IRS.

The AFFIDAVIT includes a paragraph with the proper wording to revoke the original Form SS-5 application for the Taxpayer Identification Number/Social Security Number, by rescinding your signature therefrom (see Reasonable Action, November/December 1989, page 10 for an article on the legal requirement to obtain this number). The retention of the TIN/SSN causes jurisdictional complications with both State and Federal taxing codes, i.e. Form W-4 entanglement for Patriots working for a wage. (Call for price/personalized).

First Follow Up Letter

This is the next step when a response is not received from the Secretary of the Treasury after 90 days, as requested in your cover letter accompanying your AFFIDAVIT. This gives him an additional 60 days to respond to you, and rebut the facts stated in your AFFIDAVIT. Send Certified Mail, Return Receipt Requested. (Call for price/personalized).

Final Follow Up Letter

This is the final step when there's

no response to your 60-day letter (above). It gives the Secretary an additional 30 days to respond. Advises him that his non-response to your AFFIDAVIT... will be conclusive proof that he has no rebuttal to the facts. Mail as noted above. (Call for price/personalized).

26 CFR, SECTION 1.1441-5

"Claiming to be a person not subject to withholding."

This is a statement of citizenship (or residency, if you are a permanent resident alien) which is to be used in place of a Form W-4 Employees Withholding Allowance Certificate to claim to be a person not subject to withholding.

This statement, drafted according to the above-noted federal regulation, is given to an employee's withholding agent (chief of payroll, etc.) This VEHICLE... comes with instructions, copy of IRS Publication 515 page 2, copy of 26 CFR section 1.1441-5, and sample letter of transmittal for the company to retype on their stationary or corporate letterhead (call for price/personalized).



ALL IRS MAIL
MUST BE
ANSWERED!

If no response is sent, then under the law of presumption, any allegation contained therein is considered to be correct!

Note: If you have given Power of Attorney, you will want to consult your caseworker before initiating any correspondence on your own.



Membership Subscription

Reasonable Action

★ Liberty ★ Justice ★

VOLUME XIV, No. 1 The Membership Newsletter of the Save-A-Patriot Fellowship Issue #233 1998

KOTMAIR FILES 1040s SECRETLY

Issue #233 1998

There are those within the IRS, the tax professions, certain allegedly patriotic authors and tax related newsletter and magazine writers and publishers, who have been either tacitly or overtly spreading a rumor that John B. Kotmair Jr., Founder and Fiduciary of the Save-A-Patriot Fellowship has been covertly filing *all these years*, while he encourages thousands [perhaps millions] of other citizens *not* to file.

While both of these alleged "facts" are ludicrous to anyone who has a clue, we are amazed to see them being promoted by various agents and agencies who have (or seem to have) a vested interest in the *status quo*. Desperation often results in irrational behavior, but *schizophrenia* may be the only reasonable explanation in this case.

This article is for those *CLUELESS* ones in the IRS and perhaps even more ridiculously, in the patriot community, who actually believe John files *secretly*. It is also written for the encouragement of those who may not have realized how



Exhibit 6B

See **THE SECRET** Page 4

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Reasonable Action



Liberty



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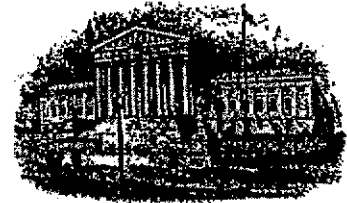
March/April, 1990

SAP CREATES AAJD TO GET BILL PASSED!!



AMERICANS AGAINST JUDICIAL DISTORTION

12 Carroll Street #129
Westminster, Maryland 21157
Tel. (301) 857-3868



Dear Friends of LIBERTY:

The *Save-A-Patriot Fellowship (SAP)* has founded "AMERICANS AGAINST JUDICIAL DISTORTION" (AAJD) to spearhead the passage of *SAP's* proposed state and federal law punishing judges for misrepresenting the law. The proposed law is titled: An Act to Prevent Government by Men Rather Than Law; and, To Ensure That Public Policy Remains The Constitutional Prerogative Of the Legislature.

SAP had the bill drafted because of what it believes are the blatant distortions of law occurring concerning the application of the federal income tax law. A sample of the complete text of the state version was printed on the cover of the January/February 1990 edition of *Reasonable Action*.



David Kramer

AAJD is headed by David Kramer, who can be reached by phone at (301) 857-3868, mailing address: Americans Against Judicial Distortion (AAJD), 12 Carroll Street #129, Westminster, MD 21157. AAJD has begun an urgent fund-raising effort to be used for a mass-mailing campaign to activist groups across the country.

URGENT ACTIVIST INVOLVEMENT NEEDED AT ONCE!

"This is a national, state and local effort," declares Kramer, "probably the most controversial and exciting piece of legislation to be proposed this century; imagine, instead of having a statute (law) take liberties as normally happens, justice will be guaranteed by statute! Just by forcing judges to apply the law and preventing them from interpreting it."

"This proposed law will have nation-wide impact and will benefit every segment of our society, top to bottom, conservative to liberal, virtually insuring the constitutional pledge of 'equal justice for all'" envisions Kramer.

"AAJD is the only activist group to focus its entire energy on this problem and it desperately needs your financial support to get the word out," says Kramer. "We are asking for donations from individuals and groups, in any amount." Copies of the complete bill and suggested activities needed to get it passed are available from AAJD for a \$10.00 donation. IT IS IMPERATIVE THAT THIS LAW BE PASSED!!!

INTENT OF THE LAW

The intent of the proposed State law says: *Be It Enacted: that every judge, chancellor, magistrate and/or any other judicial officer, employed and/or appointed and for elected, in the sovereign State of _____, who has the power to issue rulings, orders, judgments and/or decrees is required to provide a memorandum with each and every decision justifying it as to the Facts of the case, the Law of the case, and the legal Conclusion there from in all actions to come before that judicial official; that if the records of any court within the Judicial Branch, maintained at any place in government, show that such official, See BILL Page 4.*

STATEMENT OF PURPOSE

Save-A-Patriot Fellowship

The SAP Fellowship is a national organization of your fellow American Patriots. We have joined together to resist the illegal actions of the Internal Revenue Service (IRS) and other deceivers by SAP-ing them of their time and resources. We do not advocate or condone unlawful resistance, protest, or other like actions.

We have had our fill of their illegal threats, intimidations and acts of violence and we're not going to take it lying down anymore. The Fellowship has researched and developed legal defensive weapons to protect our Liberty and Property.

Fear is the ruling class keeps the multitudes in line by FEAR. They use the news media to plant stories suggesting that resistance is useless and reprisal is swift and financially painful. These "reminders" and a lifetime of conditioning makes it difficult for most people to take the first breakaway step. However, SAP Fellowship members know: the risk has been removed!

To our knowledge, there is not a single insurance company willing or so disposed to buck the system and insure Patriots against criminal plundering acts. Creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submitting to the dictates of the Insurance Commission. In no time at all we would have been expending funds fighting legal actions just trying to survive. It is also necessary to conceal any sums of money from the searching eyes of the IRS and other government agencies.

There is only one totally logical answer, a FELLOWSHIP, that gives the Patriot insurance-like protection -- to Save-A-Patriot!

HOW DOES IT WORK? Simply put, the Fellowship members pledge to reimburse other members for losses of cash or property incurred by illegal confiscations. This is done by spreading the reimbursement costs to all members. For example, suppose that after a valiant and stubborn struggle through the phases of the legal maze, a member were to

lose his vehicle to an illegal seizure. Let's value the vehicle at 9,000 Federal Reserve Notes (commonly called "dollars".) If there are 10,000 members participating in the Fellowship, SAP would verify the loss and apportion the liability at a rate of 90 cents per member. PRESTO! Mr. or Ms. Member Patriot suffers NO loss and his friends' fear of IRS retaliations is gone! Real-life examples such as this have convinced "closet" Patriots to join the SAP Fellowship in droves! Welcome to the Constitutional Revivalist Movement!

The surest and safest protection of funds is to keep them in the hands of the members. The only monies to be sent to SAP Headquarters is the annual 35 FRNs membership participation fee. This is tendered in FRNs (cash) or a totally blank Postal Money Order (cash can be sent by certified mail.) SAP maintains no bank account, so checks or money orders made out to "SAP" can't be endorsed and cashed. The membership fee is used for the administrative needs of SAP -- staff, rent, phone, printing, postage, etc. After verification by Headquarters of losses to claimant member, an apportionment is sent out to the membership; you send payments DIRECTLY to the claimant (or their beneficiary)! SAP merely verifies that all members have met their assessment obligations by a simple procedure.

Payment For Incarceration! There are still occurrences when a Patriot is criminally tried, convicted and jailed. This is the most difficult financial burden to individually shoulder. Therefore, it is the stated policy of the Fellowship to assess for the beneficiary of each incarcerated Patriot 25,000 FRNs per calendar year, during the period of actual incarceration. To the best of our knowledge, there have never been more than 30 Patriots in jail after conviction at any one time. At this rate, and assuming that all were covered SAP Fellowship members, this protection would cost 10,000 members 75 FRNs for all those jailed. If there are 80,000 members participating, it would only be 9.38 FRNs each for all 30 beneficiaries!

The figure of "80,000" is in line with a 1984 federal estimate of the number of participants within the so-called Tax Patriot segment of the Constitutional Revivalist Movement. Using this figure as our goal for total Fellowship participation, we could increase the incarceration payoff amount to 100,000 FRNs each per calendar year! It would only cost each member 37.50 FRNs to support the "30" jailed members! With this kind of hard-cash protection,

Americans will not only lose their fear of the IRS, but will almost be standing in line to go to jail!!! Even IRS agents could not resist such an offer!

In other words, remove the financial threat to the average American individual citizen, and the IRS's house of cards will collapse! -- AND LIBERTY WILL ABOUND!!!

Reasonable Action Newsletter

RA is the Fellowship's tool of Education. It is available only to Fellowship members by paid subscription, at 35FRNs per year for six (6) issues. (See page 23 of this issue for a subscription coupon.) You are holding in your hands one of the most highly respected Patriot publications in the country. It is the culmination of over twenty years of blood, sweat and tears of thousands of named and unnamed Americans. The articles appearing on these pages represent the state-of-the-art in legal understanding of the United States system of income taxation. You will not find any groundless "far-out" theories. You will find thoughtful, provocative articles, discussions and opinions that are grounded in fact and logic. The editors strive to ensure the accuracy of all the presented writings, insisting that the authors give attributions so the reader may verify the accuracy himself. As a matter of principle, we recommend that as each article is read, a copy of the Internal Revenue Code be close at hand. Education is the key to throwing off the (imaginary) chains of IRS bondage!

AN IGNORANT PUBLIC IS THE IRS'S BEST FRIEND.... AN EDUCATED CITIZEN IS THE IRS'S WORST NIGHTMARE!!!



ATTENTION!!! SPECIAL NOTE TO READERS

The information presented in the various authored tax-related articles and editorials is based on what the writers believe to be true. The editors of this publication strive to ensure that all information appearing on these pages is based on fact and represents the state-of-the-art in understanding the income tax laws as administered and enforced by the Internal Revenue Service. However, we strongly advise that the reader personally verify the accuracy of the information himself. A general disclaimer is now presented: The authors, editors and publisher of this newsletter make no guarantees, nor will be responsible, about the uses for which anyone may put this material.

ADVICE ABOUT OUT-OF-DATE BOOKS, ETC.

Our understanding of the true nature of the U.S. income tax laws, as they relate to the public, advanced considerably in 1988. It advanced at a gallop in 1989. And 1990 is proving to be even more amazing... Because of this, we offer the following warning: All popularly published books, magazines, newsletters, news articles, pamphlets, flyers, etc., of Patriot "tax information/advice," that are more than two years old, are of very limited value. Books, etc., three or more years old, whose contents is used for other than primarily historical information, are very risky. Protect your freedom and property by seeking out and using only the most up-to-the-minute information available.



Fellowship News

SPREAD THE WORD -- ON TO VICTORY!!!

COVER STORY: SAP's proposed state and federal laws are now going to get a major boost, thanks to David Kramer's leadership of AMERICANS AGAINST JUDICIAL DISTORTION (AAJD), as detailed in this issue's cover story. We at *SAP Headquarters* believe that every *Fellowship* member is a highly motivated citizen or resident alien. Many of you have told us you are in the fight for Liberty because you believe the U.S. Government and the Judiciary has turned against the people, the very citizens it was set up to serve. Now is the time and our proposed laws are your weapons to take back what has been stolen from us. Our country is supposed to be a Republic, governed by Law; through abuse of authority it has become a democracy, a country ruled by men, motivated by power and greed. The evidence of this is the increasing number of obviously wrong court rulings; these can only happen if there is "social engineering" or payoffs involved, or both. Either way, this is an example of the "golden rule": he who has the most gold, rules... Our proposed laws will end this outrage! Please contact David Kramer and put your time and effort to good use for yourself, your children and their children...

NWRC TACKLES WITHHOLDING PROBLEMS: On page 6 of this issue, is the introduction article about *SAP's* new organization, the NATIONAL WORKER'S RIGHTS COMMITTEE (NWRC), dedicated to assisting Patriots who are having problems with employers and/or payers of interest, dividends, and other payments. There is no other group like this in the entire country. Responses that NWRC has already received from letters it has sent out at the request of *SAP* members shows that most lawyers are ignorant of the law! Not one response has seriously challenged the many EXHIBITS of law that accompany each letter. The propaganda begins to dissolve when the written word of the law cannot be refuted.

VEHICLES TO CONVEY PATRIOTS TO YORKTOWN: We have totally revised many of our VEHICLES... (starting at page 19) as needed and have dropped the "non-personalized" versions, now offering only personalized versions. There are certain of the VEHICLES... which are informational and these have been separated out and are identified by alphabet letters rather than numbers. Our exclusive VEHICLES... are now only available to *Fellowship* members. Please have your *SAP* identification number handy when you call. We are also offering a service for FOIA/Privacy Act requests: for 25FRNs per letter, we will handle the mailing, receipt, and follow-up letters. We will need a "power of attorney" from you to accomplish this. Please call *SAP Headquarters* for details. A reminder to those who have not yet filed an AFFIDAVIT OF REVOCATION AND RESCISSION: this is the first step in removing yourself from the presumed jurisdiction of the IRS and state taxing authorities. If you do not break this presumption with the AFFIDAVIT's challenge, their presumption stands. Patriots who have executed affidavits, should press IRS for an answer! Call *SAP Headquarters* today!

TDI ALERT: The IRS is increasingly sending out "first notice" Taxpayer Delinquency Investigation (TDI) inquiries. This is typically a Form 8176 saying they have no record of a return from you for the year(s) listed, and needing your response within 10 days of the date on the form. (The IRS, in its cleverness, waits several days after this notice is dated and printed out, before mailing it.) Our VEHICLE #2 TDI RESPONSE, takes care of this response. However, many of you receiving these letters from the IRS wait until the last moment to call us! It is impossible to get a personalized letter response to you in time to beat the "10-day" limit. Therefore, we are urging all *Fellowship* members to order this VEHICLE... from us at once to have it on hand for immediate use! We'll personalize it, leaving blank your mailing date. (Note: do not use this for a "second notice" TDI letter response; call *SAP HQ* for info.) Be prepared; call *SAP Headquarters* today and place your order.

WORD PROCESSING PROGRAM FOR SALE: A local *Fellowship* member is offering for sale one (never used, in box with all documents, warranty card, sales receipt) WORDPERFECT v5.0 for the IBM- compatible computer user. Both sizes (5 1/4 and 3 1/2) disks are included. Asking price is 150FRN, UPS shipping included. Call *SAP HQ* for details.

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on an order, judgment, ruling and/or decree submitted for recordation has knowingly or otherwise misrepresented the law and the fact, or both, said judicial officer will be guilty of a felony. Upon conviction, such punishment shall be not less than five (5) years imprisonment, \$50,000.00 fine, and forfeiture of all retirement benefits.

AAJD's INTENDED ACTIONS

AAJD intends to organize initiative drives, in the states that have such procedure, to get the bill placed on the ballot. In states requiring that a bill be introduced by a legislator, AAJD will seek one or more members to introduce the bill and others to endorse it. Following that up with an intense lobby of the Judiciary Committee, pressuring the committee by organizing activities to publicize the need for this law. Duplicating these efforts at the national level, "AAJD plans to have a strong lobbying effort to pressure Congress to sponsor and support this bill," vows Kramer. "AAJD's purpose is not in competition with any other activist group's interests," explains Kramer. "In fact, the passage of the federal and state laws will guarantee fair treatment of all groups in court. Think about it; judges will no longer be de facto 'social engineers' meddling with the lives of millions of people!" Kramer predicts. He continued, "that's why we need donations to get this effort off the ground."

RECENT OUTRAGEOUS COURT RULINGS

"One recent outrage is a usurpation of power by the United States Supreme Court itself," cites Kramer. "The Justices, in a slim 5-4 decision in the case of Missouri v. Jenkins [SPOTLIGHT 5/7/90 cover story] ruled that a federal court has the power to order local officials to increase taxes to enforce judicial decrees."

In the Missouri v. Jenkins ruling, the Supreme court upheld a lower court's order to local Missouri officials to raise taxes to pay for a court-ordered school desegregation plan. This order clearly bypasses the authority of the legislative branch of county and/or state government.

"Another example of governmental misconduct our proposed law would tend to curtail," said Kramer, "concerns a Little Rock, Arkansas woman who tried to give charity to the homeless and ended up being jailed and having her personal property confiscated without benefit of due process of law." Kramer identifies the woman as Nancy Hallum, who in 1988 took in a homeless family and helped them get on their feet financially and find jobs. She received much press attention but some local official decided that she was running a rooming or boarding house in violation of the zoning laws [First Plank of Marx's Communist Manifesto]. This led to her arrest and a warrantless search of her home and a court order describing the living arrangements in the home and barring non-relatives from staying there," explained Kramer. In February of 1990, the charges were dropped against her. On March 13, 1990, the city hired two trash men to remove all personal property that was not physically attached to the real property of her home, according to Ms. Hallum and witnesses, this action being taken because her yard had been declared a "nuisance." Ms. Hallum had not been informed of such a charge and had not had the benefit of a hearing. The property was not stored as "evidence", but was taken to the dump and put into a crusher and destroyed. "I'd be very interested in seeing a judge's brief concerning Ms. Hallum's denial of due process and the improper application of so-called zoning laws," said Kramer.

"I have been taught that the Constitution prohibits one branch of government, in this case the judicial, from exercising power given to another, such as the legislative. If AAJD's proposed federal or state law was in effect," declares Kramer, "the judges would have to justify their actions, citing their authority. In the Missouri example, I do not believe any state or federal judge could find authority in the Constitution which allows them to seize and use the powers of taxation given exclusively to the legislative branch; in the instant case, this is clearly judicial distortion of powers, which AAJD is dedicated to bringing to a halt."

PURPOSEFUL UNDERMINING OF JUSTICE BY INTERNATIONALISTS

AAJD believes that subtle distortion has been going on for many years, the purpose being to consolidate power on the federal level, the premise being that "the government knows what's best for the people." This is the socialist condition necessary to merge the United States into the Internationalist's scheme of a one-world government: The power structure finds the ruling class on top, the army/police protecting them and the rest of us living in socialist peace, harmony, shortages and poverty like eastern Europe and the USSR. [See BOOKSHOP, "Valley Of Decision".]

"What we are up against is a determined effort by the 'ruling class' to convince the public that certain conditions exist where judges can go outside their constitutional authority to right a supposed wrong," explains Kramer. The establishment press reports on these decisions all the time, says Kramer, adding, "however, the significance of these decisions is not explained to the public in terms the average citizen can grasp. It is reported in such a way that it actually justifies the wrongful acts of government." He continued, "A prime example is the recent reporting by the media that Sheriff's deputies in Florida are stopping cars on the interstate highway and seizing sizable amounts of cash money and not giving it back until the individual can prove that it was obtained legally." The term "sizable" was not defined in the reports he saw and such activity was reported as being sanctioned by the courts, recalled Kramer. "The media's reported reason, was that this type of stopping and seizure action is needed to stop drug trafficking," said Kramer.

"NATIONAL WORKER'S RIGHTS COMMITTEE" founded by SAP

The National Workers Rights Committee (NWRC) has been founded by SAP Headquarters, to actively assist the American worker in dealing with employers and fiduciaries concerning the income tax withholding laws. For a small fee, NWRC will write letters of response explaining the law and beginning the documentation needed if a civil suit becomes necessary. NWRC services are available only to Save-A-Patriot Fellowship Members.

"This is not a paralegal service," says founder John Kotmair, "the National Worker's Rights Committee's function is to assist the American worker in informing businesses about the income tax laws." Kotmair believes that the NWRC is the only organization of its type in the country. "We expect that the NWRC will have the same impact on the American social culture that the American Civil Liberties Union has had," he predicts, adding, "in a very short time, we'll have lawyers volunteering to be consultants and be available for filing actions as needed."

NWRC can assist in two types of withholding situations: the employer's refusal to accept or misunderstanding of the "Statement of Citizenship", and any "backup withholding" threats or actions initiated by any payor of interest or dividends.

BACKGROUND ON "CITIZENSHIP" STATEMENTS

The past two years (and especially the last six months) has seen our greatest growth of knowledge about the true application of the income tax law. This has allowed us to update and improve our "VEHICLES TO CONVEY PATRIOTS TO YORKTOWN" and create new ones. [See "Fellowship News" and Special Note in "VEHICLES..." THIS ISSUE.] "VEHICLE..." #5, "26 CFR Section 1.1441-5 Exemption Statement" has been developed as the appropriate and lawful replacement for the traditional IRS "Form W-4 Employee's



NATIONAL WORKER'S RIGHTS COMMITTEE

Suite 105, 12 Carroll Street
Westminster, Maryland 21157
Tel. (301) 576-0342

July 4, 1976

Certified Mail No. P 000 000 001

Mr. Seydley Whiplash, Pres.
Whiplash Pitts
1313 Indentured Street
Slavesville, New York-10566

Dear Mr. Whiplash:

We have been informed by one of your company's employees, Mr. Joe Patriot, that he submitted to Ms. Donhat I'mTold, a representative of Whiplash Pitts, a Statement of Citizenship in duplicate pursuant to 26 Code of Federal Regulations section 1.1441-5 on April 19, 1975. (A copy of this law is enclosed [Exhibit A] for your review and consideration.) Mr. Patriot further stated that, to the best of his knowledge, you have not forwarded this statement on to the Internal Revenue Service.

When you withhold taxes from someone you are acting as a withholding agent. This is a very responsible position and should not be taken lightly. Everyone of legal age is responsible for their actions. Therefore, it is imperative to investigate for yourself what authority and obligations you have when acting in such capacity. Please be advised that the Internal Revenue Code only authorizes withholding pursuant to four sections of the Code. The Index of the IR Code reveals that only one section defines the authority of a withholding agent, "Withholding agent: defined . . . section 7701(a)(16)," which states:

"The term 'withholding agent' means any person required to deduct and withhold any tax under the provisions of section 1441, 1442, 1443, or 1451." (enclosed Exhibit B.)

Sec. 1441. Withholding of tax on nonresident aliens.
Sec. 1442. Withholding of tax on foreign corporations.
Sec. 1443. Foreign tax-exempt organizations.

Page 1 of 6.

Equal Protection Under The Law

Withholding Allowance Certificate." (SAP first offered this as "VEHICLE..." #5 in the Summer/Fall 1988 RA, page 23.) The "Exemption Statement" is actually a statement of citizenship which conforms with the named federal regulation, titled: "Claiming not to be subject to withholding." (26 CFR 1.1441-5 is reproduced on Page 7.)

This "VEHICLE..." has been updated numerous times since first offered, due to feedback from the Membership and from more information gathered by research of the IR Code, regulations, the IR Manual, and au-

thoritative references. [Note: it is to your advantage to use the most current version of the "Statement of Citizenship" available; please call SAP Headquarters before you submit another one to any new or prospective employer!]

WHO TO GIVE CITIZENSHIP STATEMENTS TO

Our continuing research of the actual application of the federal income tax laws, especially the withholding provisions shows that the laws, regu-

lations, and instructions are written in such a way that creates the presumption that these laws apply to everyone, citizens and aliens alike. Considering that there are some two hundred and sixty-five odd million citizens within the U.S. of A, it is ridiculous that if each and every one of them does not give a "Statement of Citizenship" to a withholding agent or potential withholding agent that he/she is presumed to be a nonresident alien. But that seems to be the way "our" government operates today. Therefore, we advocate everyone, employed and self-employed alike, give a "Statement of Citizenship" to everyone who could remotely be a withholding agent!! The practical side of this policy is that it is awfully hard to prosecute or attack someone civilly -- who is obeying the law!!

DEMAND CREATES SOLUTION

Many of our SAP Fellowship members have read our articles recommending the use of a "Statement of Citizenship", requested such from Headquarters and have submitted one to their employer. This replacement for the IRS "Form W-4" has met with varying degrees of comprehension and acceptance.

Many employers given a "Statement of citizenship" by a newly-hired employee, have accepted it, complied with the requirement of mailing a copy with a letter of transmittal to the Internal Revenue Service Center (in Philadelphia, Pennsylvania only) and have not withheld any monies from the employees pay, no problem. This is as

the law, 26 CFR 1.1441-5, directs and requires.

Others employers have refused to either accept the "Statement..." at all or have merely received it and not transmitted the copy to the IRS as the law requires. In either situation, the employer has on his own decided to deduct and withhold at the source on wages and Social Security (FICA) tax from the citizen-employee.

The problem has not been with the "Statement..." itself, but with employers who are not complying with the law! We have included instructions with this "VEHICLE..." telling the Patriot how to submit it to the employer and how to respond if the employer has questions. And we have counseled quite a few Patriots over the phone, suggesting the proper follow up letters in response to employer questions, misunderstandings, and inaction.

UNAUTHORIZED WITHHOLDING IS CONVERSION

Taking money owed (in whole or in part) to someone and giving it over to someone else, without permission, is conversion. Black's Law Dictionary (Fifth Edition, 1979) defines "conversion" as:

"Conversion. An unauthorized assumption and exercise of the right of ownership over goods or personal chattels belonging to another, to the alteration of their condition or the exclusion of the owner's rights. Any unauthorized act which deprives an owner of his property permanently or for an indefinite time... See also Embezzlement; Equitable conversion; Fraudulent conversion; Involuntary conversion. [Underlines added.]

"Direct conversion. The act of actually appropriating the property of another to his own beneficial use and enjoyment, or to that of a third person, or destroying it, or altering its nature, or wrongfully assuming title in himself." [Underlines added.]

Unless the citizen-employee has filled in and signed a "Form W-4" and given it to the employer, there is no authorization given to the employer to withhold any amount from the pay of that citizen-employee.

§ 1.1441-5

26 CFR Ch. I (4-1-88 Edition)

upon income derived by such bank from obligations of the United States or of any agency or instrumentality thereof, or upon interest derived from deposits with persons carrying on the banking business, if the withholding agent receives from the bank a statement certifying that the bank--

(i) is a foreign central bank of issue, or the Bank for International Settlements, as the case may be,

(ii) is the owner of the obligations of the United States or of any agency or instrumentality thereof, or the owner of such bank deposits, as the case may be, and

(iii) Does not, and will not, hold such obligations or such bank deposits for, or use them in connection with, the conduct of a commercial banking function or other commercial activity.

(2) A copy of the statement filed pursuant to paragraph (b)(1) of this section shall be forwarded by the withholding agent with, and attached to, the Form 1042S required by paragraph (c) of § 1.1441-3 with respect to payments of income made on such obligations or bank deposits during the calendar year.

Approved by the Office of Management and Budget under control number 1545-0793

(Secs. 1441(a)(4) (50 Stat. 1532; 26 U.S.C. 1441(a)(4), 3401(a)(4)) (50 Stat. 1534; 26 U.S.C. 3401(a)(4)), and 7803 (48 Stat. 917; 26 U.S.C. 7803), Internal Revenue Code as amended; sec. 1441, 1442, and 7803, Internal Revenue Code (50 Stat. 1532, 26 U.S.C. 1441; 50 Stat. 1534, 26 U.S.C. 1442; 58 Stat. 917, 26 U.S.C. 7803))

(T.D. 8500, 25 FR 12074, Nov. 26, 1960, as amended by T.D. 8904, 31 FR 18772, Dec. 31, 1966; T.D. 8922, 32 FR 3111, June 17, 1967; T.D. 7374, 40 FR 45434, Oct. 2, 1975; T.D. 7382, 41 FR 871, Jan. 1, 1976; T.D. 7777, 46 FR 27216, May 11, 1981; 46 FR 31609, June 16, 1981; T.D. 7942, 47 FR 48812, Nov. 3, 1982; T.D. 7977, 49 FR 34632, Sept. 20, 1984; T.D. 8012, 50 FR 11854, Mar. 26, 1985)

§ 1.1441-5 Claiming to be a person not subject to withholding.

(3) Individuals. For purposes of chapter 3 of the Code, an individual's written statement that he or she is a citizen or resident of the United States may be relied upon by the payer of the income as proof that such individual is a citizen or resident of the

United States. This statement shall be furnished to the withholding agent in duplicate. An alien may claim residence in the United States by filing Form 1074 with the withholding agent in duplicate in lieu of the above statement.

(b) Partnerships and corporations. For purposes of chapter 3 of the Code a written statement from a partnership or corporation claiming that it is not a foreign partnership or foreign corporation may be relied upon by the withholding agent as proof that such partnership or corporation is domestic. This statement shall be furnished to the withholding agent in duplicate. It shall contain the address of the taxpayer's office or place of business in the United States and shall be signed by a member of the partnership or by an officer of the corporation. The official title of the corporate officer shall also be given.

(c) Disposition of statement and form. The duplicate copy of each statement and form filed pursuant to this section shall be forwarded with a letter of transmittal to Internal Revenue Service Center, Philadelphia, PA 19263. The original statement shall be retained by the withholding agent.

(d) Definitions. For determining whether an alien individual is a resident of the United States see § 1.571-2. An individual with respect to whom an election to be treated as a resident under section 6013(g) is in effect is not, in accordance with § 1.1441-1, a resident for purposes of this section. For definition of the terms "foreign partnership" and "foreign corporation" see section 7701(a) (4) and (5) and § 301.7701-3 of this chapter. For definition of the term "United States" and for other geographical definitions relating to the Continental Shelf see section 935 and § 1.638-1.

Approved by the Office of Management and Budget under control number 1545-0793

(Secs. 1441(a)(4) (50 Stat. 1532; 26 U.S.C. 1441(a)(4), 3401(a)(4)) (50 Stat. 1534; 26 U.S.C. 3401(a)(4)), and 7803 (48 Stat. 917; 26 U.S.C. 7803) of the Internal Revenue Code as amended)

(T.D. 8500, 25 FR 12074, Nov. 26, 1960, as amended by T.D. 8904, 31 FR 18772, Dec. 31, 1966; T.D. 7277, 34 FR 12742, May 12, 1971)

NWRC form Page 7.

BACKUP WITHHOLDING

IR Code section 3406 is titled "BACKUP WITHHOLDING," and is concerned with IRS-ordered withholding of 20% of interest or dividend payments to a payee because of certain alleged actions, inactions, and/or situations. This one section of the IR

as being within the withholding agent's authority. The only conclusion to draw from this comparison is that there is no authority to withhold, pursuant to 3406.

The significance of this is that those of you who receive interest or dividend payments from stocks or other investment may find the IRS "ordering" the payor to backup withhold, if you have not filed prior 1040's,

only to interest and dividend payments.

SAP STRONGLY RECOMMENDS...

...that you consider providing a "Statement of citizenship" with the appropriate wording, to any payor of interest and/or dividends and especially if you are an independent contractor. We have developed the appropriate "Statement..." to cover all of these situations.

WHAT NWRC WILL DO FOR YOU

What has become evident to us at SAP Headquarters is that many Patriots do not have the time to write follow up letters which are needed to document the employer's and/or payor's non-compliance with the law. Also, those that do write, have their letters sent to the company attorney who typically says, "The company will do what the IRS tells us to do, because if we don't, we could be audited, fined or charged criminally..."

This above statement is illogical on its face, because it is the law itself, under the direction of the implementing regulation, telling the employer what to do. The IRS itself is under the direction of the very same law/regulation. It is the Secretary of the Treasury himself, who is responsible for the drafting of the regulation to implement the internal revenue laws passed by Congress. Is the IRS not bound by the regulations it writes to both implement the law and describe to the affected public how to interact with the IRS? It is well established legal fact, that if there are no regulations written to implement the law, it is presumed that the law is not in effect.

We have, at great time and expense, developed response letters for use in situations where the employer or payor is unlawfully withholding from a citizen or permanent resident alien. The letters are on computer and your specific circumstances are

SEC. 3406. BACKUP WITHHOLDING.

(a) Requirement To Deduct and Withhold.—

(1) In general.—In the case of any reportable payment, if—

(A) the payee fails to furnish his TIN to the payor in the manner required,

(B) the Secretary notifies the payor that the TIN furnished by the payee is incorrect,

(C) there has been a notified payee under-reporting described in subsection (c),

or

(D) there has been a payee certification failure described in subsection (d),

then the payor shall deduct and withhold from such payment a tax equal to 20 percent of such payment.

Code takes up just four and one half pages (in the 1990 Prentice-Hall printing of the 1986 Code.) According to one respondent to one of our NWRC letters, more regulations, rulings and instructions have been issued by the Treasury Department concerning "backup withholding", than for any other section of the IR Code. Our research on this section shows that it is indeed complex, however, there is still no authority to withhold shown in the law. As we've explained and shown in many previous articles, IR Code section 7701(a)(16) "Withholding agent" shows the authority to withhold concerns only section 1441, 1442, 1443, 1461.

and/or not supplied a Social Security Number/Taxpayer Identification Number to the payor. From our reading of the intent of the law, Congress essentially replaced "withholding at the source" with "information at the source", punishing the offending non-reporter with the 20% "backup withholding." From the research we've done, the only "at source" withholding the federal income tax laws, embodied in the IR Code have ever authorized is from the income of nonresident aliens.

Another instance of backup withholding we've been informed about, concerns 20% withholding of payments due to a doctor for care pro-

cess and personnel below the grade of commissioned officers in such forces.

(16) Withholding agent.—The term "withholding agent" means any person required to deduct and withhold any tax under the provisions of sections 1441, 1442, 1443, or 1461.

Last amendment.—Sec. 7701(a)(16) appears above as of Public Law 97-248, Sept. 3, 1982. This amendment

The interesting situation concerning section 3406 is that it essentially replaced, on August 5, 1983, sections 3451 through 3456. Section 3451 was titled "Income Tax Collected At Source On Interest, Dividends, and Patronage Dividends." In the time period it was in effect, section 3451 was listed as being within the authority of the withholding agent to withhold upon. (See IR Code section 7701(a)(16) as it read in 1982, directly to the right.) Compare these two and note that 3406 has not replaced 3451

vided, on a claim to an insurance company. The alleged reason was that the doctor (a citizen) had not supplied the company with a social security number on the claim form. This withholding on payments was and is totally inappropriate, because section 3406 "backup withholding" applies

(16) WITHHOLDING AGENT.—The term "withholding agent" means any person required to deduct and withhold any tax under the provisions of section 1441, 1442, 1443, 1451, 1461 or 3451. Source: Sec. 3797(a)(16), 1939 Code.

NV & C Page 9.

The Accounting Branch personnel separate all the returns as to the different categories of taxation (excise, individual income, employment, IRA, etc.), and total the categories on the "Summary of Assessment Certificates Issued," Form 2162. The Chief of the Accounting Branch signs this form certifying the correctness of the mathematical computation of the Accounting Branch personnel. Then the total of all the categories computed is posted on the "Certificate of Assessment," Form 23-C, which is also certified by the signature of the Chief of the Accounting Branch. These two IRS Forms represent the "...recording [of] the liability..." mentioned in section 6203 Page 10.

Situation #2.

Now let's review the procedure when a taxpayer voluntarily submits a tax return and it is challenged by the Examination Branch as being deficient.

After determining that the "...amount ...[of] tax imposed ...exceeds the excess of the..." confessed liability made by the taxpayer on his/her return, the Examination Branch routes the return to the Collection Branch which, among other functions, "...signs and sends statutory notices of deficiency." (section 11(11)5.2 of IR Manual 1100.) The maker of the deficient tax return is sent a notice of that deficiency by means of U.S. Mail certified receipt requested, to the last known address. The notice is commonly called a "90 day letter," because it advises the taxpayer "If you want to contest this determination in court before making any payment, you have 90 days from the mailing date of this letter to file a petition with the United States Tax Court for a redetermination of the amount of your tax." (*Underline added.*)

If the maker/filer of the tax return decides to petition the tax court, then he/she is, by the petition, pleadings and rules of that court, agreeing to accept the finding of fact that will be made by that court. Thereafter, the tax court's finding is routed to and certified by the Chief of the Accounting Branch as the Assessment in the same manner as an uncontested return. But, because the tax assessed is

unpaid, it is mandatory that within 60 days of the certification, a "NOTICE AND DEMAND FOR TAX" pursuant to IR Code section 6303, be sent to the taxpayer by the Chief of the Collection Branch. (This important procedure will be covered in detail

course the IRS District Counsel moves for summary judgment and a frivolous petition fine, which the court eagerly grants.) It is surprising that some seemingly intelligent individuals have fallen into this IRS trap, and even more so, that some are still

SEC. 6303. NOTICE AND DEMAND FOR TAX.

(a) **General Rule.**—Where it is not otherwise provided by this title, the Secretary shall, as soon as practicable, and within 60 days, after the making of an assessment of a tax pursuant to section 6203, give notice to each person liable for the unpaid tax, stating the amount and demanding payment thereof. Such notice shall be left at the dwelling or usual place of business of such person or shall be sent by mail to such person's last known address.

later in this article.)

Situation #3.

Now let's examine this very same deficiency procedure, but this time it involves a Patriot that did not make, execute nor file a tax return.

Usually this Patriot would receive a Notice of Deficiency from the District Director. A review of IR Manual 1100 sections 11(12)1, "District Director;" 11(12)1.1, "Chief, Examination Division;" and 11(12)1.21, "Chief, Collection Division," reveals that no such authority exists therein. (NOTE: In the District Office, Collection and Examination are called Divisions, and in the Service Center they are called Branches.) Whether it comes from the District Office or the service center the instruction are the same, i.e., petition the tax court within 90 days or a statutory lien will be filed against you, and following that comes the distracting implication: **PAY UP OR WE WILL BE TAKING YOUR PROPERTY!!!**

Situation #3, Scenario No.1:

Not knowing any better, and afraid of losing the property that was acquired by hard labor, the Patriot petitions the tax court to try to put off what he believes to be the inevitable. The problem with this route is that following the rules and procedures of that court has the same effect as asking the United States Tax Court to file a income tax return for you. The Patriot even supplies the information needed to do so. (In some cases the Patriot, listening to some uninformed guru, petitions to enter into the court's jurisdiction and then tells the court that it does not have the "jurisdiction" the Patriot just gave it. Of

blindly going along today.

When a finding is made by the Tax Court, like the one mentioned above, it can and will be certified by the Chief of the Accounting Branch, and within 60 days there will be a "Notice and Demand for Payment" sent to the "taxpayer." This does not mean that all is lost (as will be explained later on), but it sure does make it much more difficult and in some cases maybe impossible.

Situation #3, Scenario No. 2:

But you are a S.A.P. Fellowship member, and well informed by the Fellowship's voice, *Reasonable Action*. Therefore, you do not fall for this fraudulent snare. Instead you answer this fraudulent extortion attempt with a letter ("VEHICLE..." #8), that:

1. challenges the District Director's authority to send such a document to you;

2. asks to have sent to you a copy of the tax return that the deficient shortfall or error occurred in, stating that you did not file any tax return(s) for the year(s) in question; and

3. asks if they filed such a return for you, and if so by what authority it was executed.

You will not receive any answer, and there is no law that requires him/them to answer. The reason they will not answer is that they have no lawful rebuttal that they can make.

In the *Bohke v. Fluor Engineers & Constructors, Inc.*, 713 F2d 1405 (copy supplied with "VEHICLE..." #8) the court ruled such a letter, if written within the first 60 days, to be a "request for an abatement" under IR Code section 6213(b)(2), (repro-

See FRAUDULENT Page 12.

given sufficient pressure the IRS will provide it.

The federal courts have recently held:

TAXATION

89-149 CHILA v. U.S.

Ruling below (CA 11, 871 F2d 1015):

Certificate of assessments and payments and account card provide all information required by IRS Code Section 6203 and regulations, including identification of taxpayer, character of liability assessed, taxable period, and date and amount of assessment, and thus are presumptive proof of valid assessment; lack of notice required by IRS Code Section 6303 deprives IRS of pursuit of any administrative remedy against taxpayer, but does not prevent suit to collect withholding taxes that were not paid over to government.

GOVERNMENT TURNED AGAINST THE CITIZEN

Notice the words "presumptive proof" in the *Chila* case above. The doctrine of "Presumptive Proof" was established in the beginning of President Roosevelt's administration. This ploy was created by his cronies whom he packed into the Supreme Court. It was their sophistic way of getting around the unconstitutionality of Roosevelt's socialist "New Deal." In a nutshell this means, that what government agencies do is not

necessarily lawful and correct. However, it is just presumed to be lawful and correct, and the burden falls on the individual citizen or resident alien to prove otherwise. Prior to this so-called "doctrine" the burden of proof always fell on the government, when rights of the citizen were involved. Once understood, it is easy to see that this doctrine is one of the major causes of our governmental problems today. In our example, if this "Certificate of Assessments and Payments" is the presumptive proof of an IRS Assessment against you, then let's remove this presumption!!!

"NOTICE AND DEMAND FOR TAX" FINALLY FOUND!!!

For years Patriots have speculated as to what IRS form constituted the "NOTICE AND DEMAND FOR TAX." Finally this elusive "four leaf clover" was found just last month in the Maryland State Law Library in Annapolis by SAP's "word scouting editor" David Baker, and it is beginning to be used with great effect for Fellowship members.

Notice the *Chila* case (Page 12) says, "...lack of notice required by IRS Code Section 6303 deprives IRS of

pursuit of any administrative remedy against taxpayer..."

A "Certificate of Assessments and Payments" record belonging to a SAP member had posted on it that the "First Notice" was sent on "06/29/87." There was no "document locator number" listed to the right of that entry. Isn't that interesting? We requested a copy of the notice required by IR Code Section 6303, relating to that and other like entries for two other years, from the Atlanta Service Center. The Disclosure Officer replied: "Notices are computer generated and mailed to the Taxpayer as required by IRS Regulations 301.6303-1 and Internal Revenue Code Section 6303. We do not maintain copies."

Reproduced on Page 14 is our somewhat pointed reply:

(The documentation showing the identity of the famous IR Code 6303 "NOTICE" is reproduced on Page 14 and 15.)

As stated in the *Chila* case, lack of notice bars IRS collection, and a document that cannot be produced - IS PRESUMED TO NEVER HAVE EXISTED!!!

We are presently waiting for Ms. Barksdale's reply. It took her just eight days to answer the original request. As of the date of this writing, it has been fourteen days since she received our reply. We will keep you posted!!!

PERSONAL DEFENSE RECOMMENDATIONS

In order to have a clear understanding and be able to investigate IRS fraudulent assessment procedures, and give you the ability to spread the truth, and not be taken in by some "wild theory" that will cause you loss of property and mental anguish, the Patriot should own and have a personal working knowledge of the following IRS documents: (1) a complete IR Code Book; (2) a complete set of the IR Regulations; (3) IR Manual Chapters 1100, "ORGANIZATION AND STAFFING;" 5200, "DELINQUENT RETURN PROCEDURES;" 5400, "SERVICE CENTER COLLECTION BRANCHES PROCEDURES;" and (4) 6209 Computer Transcript Decoding Handbook. (See VEHICLES and Book Shop sections this issue.)



Certificate of Assessments and Payments							
Name of Taxpayer		Address (Number, street, city, and state)			IR# or SSN		
Date	Description of Transaction	Assessment (Amount)	Credit (Credit Inventory #)	Balance (if)	DLN or Account Number	23C Date (if)	Period Ending (if)
09-05-83	Assessed Tax	- 0 -		- 0 -		09-05-83	1980
02-20-85	Additional Tax	\$ 689.00		\$ 689.00			
07-20-86	Assessed Interest	602.05		1,291.05			
02-20-86	Negligence Penalty	134.45		1,425.50			
01-20-86	Delinquency Penalty	172.25		1,497.75			
02-20-86	Misc. Penalty	4,000.00		5,497.75			
02-20-86	Est. Tax Penalty	43.99		5,541.74			
10-31-86	Subsequent Payment		660.00	4,881.74			
17-01-86	Subsequent Payment		660.00	4,221.74			
17-30-86	Subsequent Payment		303.80	4,117.94			
11-02-87	Credit Applied		4,921.25	833.31			
02-06-88	Interest Assessed	823.30		19.01			
02-06-88	Clearance of Overpayment	.01		39.02			
02-22-88	Fees and Collection Cost	121.31		119.30			
11-01-87	Payment of Fine and Cost		129.30	10.00			

I certify that the foregoing transcript of the taxpayer named therein is correct to the items specified in a true and complete transcript for the period stated, and all assessments, penalties, interest, abatement, credits, refunds, and advances or uncollected payments relating thereto as disclosed by the records of this office on the date of this certificate. See any phone records.

Signature of Officer: [Signature] Location: Ft. Landersdale District Office Date: 3/21/89

Form 4340 Rev. 3/88 This and insert form "Tax 23C"

F.O. Box 91
Westminster, MD 21157

April 23, 1990

Re: CrD Y-90-314

Concerning:
David M. de Camp
ES: 068-34-1432 (Revoked 4-4-90)

Certified Mail P 231 149 465

Ms. Betty S. Barksdale, Disclosure Officer
Internal Revenue Service Center
Southeast Region
Atlanta, GA 31101

Dear Ms. Barksdale:

Thank you for your prompt response to the above referenced request.

Enclosed for your review are photocopies from the "Internal Revenue Service Practice and Procedure Deskbook" published by Practising Law Institute, New York City. Notice that on Page 86 it addresses "NOTICE AND DEMAND" pursuant to IR Code section 6303. Also notice on Page 87 is states: "...the Service has always given at least two, and often up to four, notices to the taxpayer demanding payment." It then refers to footnote 11, references "...appendixes 25-28..." These appendixes are found beginning at Page 533, indicating that Form 4084, is the "First Notice;" that the "Second Notice" (Page 537) is Form 3967-(C); "Third Notice" (Page 539) is Form 4839; and the "Fourth Notice" (Page 541) is Form 4840.

Also enclosed is a copy of Page 48 from IR Publication 676 (Rev. 2-88), it lists Form 4084 as: "Correction Notice Amount Due IRS." On Page 59 of IR Publication 676 (Rev. 2-90) (copy enclosed), it lists Form 3967C as, "Second Notice-Payment Overdue," and on Page 61 (copy enclosed), Form 4839 is listed as: "Letter Advising Taxpayer of Possibility of Additional Penalty and Interest Charges if Tax Not Paid;" and Form 4840 as: "Letter Advising Taxpayer of Possibility of Additional Penalty and Interest Charges if Tax Not Paid-Final Notice." These IRS forms are not just computer notices, they are reported, as exhibited by the copies enclosed, to be hard copy.

In IR Manual 1(15)59.26-11, "Forms Listing for Records Control Schedule 206," (copy enclosed), at Page 56, Form 4084 ("First Notice"), is given an Item Number of 168. In that same manual on Page 27, Item Number 168 calls for the destruction of

Page 1 of 2.

Form 4084 "...5 years after end of processing year." The "processing year" posted on the Certificates of Assessments and Payments, that I forwarded along with the FOIA request, was the same for all three years, 1980, 1981, and 1982: "06/25/87." That would mean that the documents requested would have to be in the possession of the Internal Revenue Service until 06/29/92. If this is incorrect, would you please explain in detail how and why it is wrong. If it is not incorrect, I am requesting that you certify that the document(s) requested, per the request referenced above, do not exist.

Please respond in ten working days as required in 401.7021(c)(7).

Yours,

John B. Kozakir, Jr.
John B. Kozakir, Jr.

Enclosures:

Copies of Pages 86, 87, 533, 534, 535, 536, 537, 538, 539, 540, and 541 of "Internal Revenue Service Practice and Procedure Deskbook," published by Practising Law Institute, New York City.

Copy of IR Publication 676 (Rev. 2-88), Page 48.

Copies of IR Publication 676 (Rev. 2-90), Pages 59 and 61.

Copies of IR Manual 1(15)59.26-11, Pages 27 and 56.

Internal Revenue Service Practice and Procedure Deskbook

Second Edition

Ira L. Shadoff

111150



IRS Practice and Procedure

Service and the taxpayer or the taxpayer's authorized representative. In addition, if the taxpayer has provided the Service with a bank, the Service may make a withdrawal on the bank even though the six-year statute of limitations has expired.

NOTICE AND DEMAND

Except where otherwise provided by the Code, the Service is required within sixty days of making an assessment of tax to give notice stating the amount of tax due and demanding payment thereof. Each notice must be left at the residence or usual place of business of the taxpayer or sent by registered mail to his last known address. However, the failure to give notice within sixty days does not invalidate the notice. However, it appears that the notice may be informal. It also seems probable that the taxpayer would waive the right to a notice of demand, although there are no cases on this point.

A critical reading of Code section 6303 clearly indicates that the Service is required to give only one notice before a final notice or a forced collection notice procedure. Historically,

1. This is followed by filing Form 900, consent to extend the statute of limitations, a copy of which is filed in duplicate. Agreements to extend the statute of limitations are also obtained in this chapter for the notices dealing only with suits by the United States.
4. See the number dealing with preventing the statute from being a matter of law.
5. Trans. Reg. § 201.6303-4.
6. For the example, see the case of property and installment payments per chapter 10.
7. I.R.C. § 6303(c)(2)(B); Trans. Reg. § 201.6303-4(b).
8. Trans. Reg. § 201.6303-4(b).
9. Notice of Collection, 75-118, Rev. Ctr. (CIR) 75-118 (CIR) 75-118.
10. See later for discussion of Form and the Statute's power to levy and sell.

Collection Process

however, the Service has always given at least two, and often up to four, notices to the taxpayer demanding payment.

Assessing the taxpayer can make full payment after receiving notice demanding payment, he or she may generally pay by check, money order, or cash. If the taxpayer pays by check or money order, the cancelled instrument will usually serve as the receipt for payment. In addition, it is important that the taxpayer write on the face of the check his or her Social Security number (the working spouse's number if a joint tax return is involved), the type of tax involved (e.g., income tax, excise tax, etc.), and the tax year involved (along with the quarter, if appropriate, e.g., for payroll taxes or estimated tax payments). This will ensure the Service does not credit the wrong year or tax.

If payment is made in cash, the Service is required to give a receipt that details all the above information.

THE FEDERAL TAX LIEN—WHEN YOUR CLIENT CANNOT PAY IN FULL

There clearly is no problem if the taxpayer, upon receiving the notice demanding payment, pays the Service the amount in full. The problem arises when the taxpayer does not have

11. See appendix 25-28 for the four different types of notices that the Service sends out. Careful note should be taken that the final notice, when referred to as "final notice before suit," requires that the taxpayer must immediately make arrangements with the Service for payment or otherwise subject himself or herself to harsh forced-collection actions. These forced-collection actions are discussed in depth throughout the rest of this chapter. See also the warning in this chapter dealing with nonpayment, wherein it is explained why it is critical for the taxpayer or taxpayer's representative to agree, if possible, to the terms the taxpayer considers the final notice before suit. It may be too late to negotiate an installment agreement, or the mechanisms for forced collection are already in movement and may not always be turned back.
12. Trans. Reg. § 201.6303-11(a).

problem with the assessment because you had not filed a return and you request abatement. Note that in section 6213 it says within 60 days after such notice. It does not say what notice, so the "notice" could theoretically be any notice and demand for money you receive from the IRS. [Editor's note: John Kotmair's article reveals the identity of the "notice."]

BOTHKE HAD FILED A FORM 1040

Bothke had filed a Form 1040. As described earlier in this article, he'd assessed himself "zero" tax and requested that the withheld tax be refunded. Attached to the return was a strongly worded protest, claiming, among other rights, the protection of the 5th Amendment to the Constitution.

[EDITOR'S NOTE: The timely filing of a "5th Amendment return" was recently upheld in the 9th Circuit in *United States v. Kimball* (No. 87-1392; 896 F 2d,1218, decided 2/26/90.) Kimball had been charged with "willful failure to file an income tax return" under section 7203. The Appeals Court ruled, in overturning his conviction, that the "5th Amendment returns" he'd filed were valid returns. SAP Headquarters warns that the filing of any return to the IRS, creates the presumption that you are liable for the tax imposed; the filing of a "5th Amendment return" will not stop the IRS from proceeding with collection activities based on information it obtains on its own. Breaking the presumption with an SAP "AFFIDAVIT OF REVOCATION AND RESCISSION", properly filed and recorded, ends any presumed requirement to file any IRS form, ever. We do not recommend, and never have, nor will ever, the filing of a "5th Amendment" 1040 return, or any illegal act.]

Bothke followed up the IRS's subsequent collection notices with strongly worded protests. This is what the Appeals Court said about these letters, at page 1414:

(17) *The IRS failed to construe his protest as a request for abatement because he did not cite this statute [6213(b)(2)]. But the notice to Bothke did not suggest that the IRS expected a statutory reference before it would conclude that the taxpayer's procedural rights under the statute had been triggered. Rather, it indicated that Bothke could challenge the correction merely by "[letting] us know if you believe the balance due is correct."*

(18) *More importantly, the statute does not require that the taxpayer put a legal classification on his protest. The Service, however, with its expertise, is obliged to know its own governing statutes and to apply them realistically. Bothke's strongly worded protest should reasonably have been construed as a request for abatement. It seems the IRS proceeded illegally even under its interpretation of the proper procedure to use for his tax return. [Underlines added.]*

IRS agent Terry did not interpret Bothke's response letters as a "request for abatement" and went ahead

See BOTHKE Page 18.

SEC. 6213. RESTRICTIONS APPLICABLE TO DEFICIENCIES; PETITION TO TAX COURT.

(a) **Time for Filing Petition and Restriction on Assessment.**—Within 90 days, or 150 days if the notice is addressed to a person outside the United States, after the notice of deficiency authorized in section 6212 is mailed (not counting Saturday, Sunday, or a legal holiday in the District of Columbia as the last day), the taxpayer may file a petition with the Tax Court for a redetermination of the deficiency. Except as otherwise provided in section 6851, 6852, or 6861 no assessment of a deficiency in respect of any tax imposed by subtitle A or B, chapter 41, 42, 43, or 44 and no levy or proceeding in court for its collection shall be made, begun, or prosecuted until such notice has been mailed to the taxpayer, nor until the expiration of such 90-day or 150-day period, as the case may be, nor, if a petition has been filed with the Tax Court, until the decision of the Tax Court has become final. Notwithstanding the provisions of section 7421(a), the making of such assessment or the beginning of such proceeding or levy during the time such prohibition is in force may be enjoined by a proceeding in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action or proceeding under this subsection unless a timely petition for a redetermination of the deficiency has been filed and then only in respect of the deficiency that is the subject of such petition.

(b) Exceptions to Restrictions on Assessment.—

(1) **Assessments arising out of mathematical or clerical errors.**—If the taxpayer is notified that, on account of a mathematical or clerical error appearing on the return, an amount of tax in excess of that shown on the return is due, and that an assessment

(2) Abatement of assessment of mathematical or clerical errors.—

(A) **Request for abatement.**—Notwithstanding section 6404(b), a taxpayer may file with the Secretary within 60 days after notice is sent under paragraph (1) a request for an abatement of any assessment specified in such notice, and upon receipt of such request, the Secretary shall abate the assessment. Any reassessment of the tax with respect to which an abatement is made under this subparagraph shall be subject to the deficiency procedures prescribed by this subchapter.

(B) **Stay of collection.**—In the case of any assessment referred to in paragraph (1), notwithstanding paragraph (1), no levy or proceeding in court for the collection of such assessment shall be made, begun, or prosecuted during the period in which such assessment may be abated under this paragraph.

(c) Definitions.—For purposes of this section—

(1) **Return.**—The term "return" includes any return, statement, schedule, or list, and any amendment or supplement thereto, filed with respect to any tax imposed by subtitle A or B, or chapter 41, 42, 43, or 44.

(2) **Mathematical or Clerical Error.**—The term "mathematical or clerical error" means—

(A) an error in addition, subtraction, multiplication, or division shown on any return,

(B) an incorrect use of any table provided by the Internal Revenue Service with respect to any return if such incorrect use is apparent from the existence of other information on the return,

(C) an entry on a return of an item which is inconsistent with another entry of the same or another item on such return,

(D) an omission of information which is required to be supplied on the return to substantiate an entry on the return, and

(E) an entry on a return of a deduction or credit in an amount which exceeds a statutory limit imposed by subtitle A or B, or chapter 41, 42, 43, or 44, if such limit is expressed—

- (i) as a specified monetary amount, or
- (ii) as a percentage, ratio, or fraction,

and if the items entering into the application of such limit appear on such return.

§ 6213(g)(2)

with levy actions, taking over \$3,400. Bothke then sued his employer, the employer's attorney, and agent Terry in Tort (civil suit for compensatory and punitive damages.)

DUE PROCESS RIGHTS DENIED

Bothke's Fifth Amendment due process of law rights were also involved. The Court ruled that he had this right at the administrative level under the Administrative Procedures Act, 5 U.S.C. 552-557 (see page 1411 of Bothke decision.) This law provides for a formal hearing presided over by an impartial decision maker. The Bothke court said this in comparing an administrative hearing to the usual court proceeding:

Formal administrative adjudication shares with judge-supervised trials two key qualities that diminish the need for individual suits to correct constitutional transgressions: (1) the impartiality of the decision maker, and (2) the reliability of the information forming the basis of the decision. See Butz, 438 U.S. at 512-13, 98 S.Ct. at 2913-14. Safeguards inherent in both forums foster these qualities.

In a formal administrative hearing, which is held independent of agency (IRS) control, the determination is made after hearing testimony and reviewing exhibits, which constitute the exclusive record of the proceeding. This is an adversarial procedure and allows cross-examination of witnesses, a challenge to the government's theories, and the sobering requirement of airing these theories in a public forum, said the Bothke decision at page 1411. The decision-maker must explain his/her decision with finding and conclusions.

The Bothke court said that the above two qualities were "conspicuously absent" from agent Terry's activities, stating:

The role she played, if analogized to a traditional trial, was an amalgam of the roles of prosecutor, judge, jury, and marshal executing the JUDGMENT as well, as her duties included agency investigation and enforcement, judgmental functions, assessment of information, and execution of the levy. (Emphasis added.)

Apparently, the Court was not pleased with the quality and quantity

of evidence agent Terry used as the basis for her actions, saying:

...the intra-agency file forwarded to her as a basis for her decision bears little resemblance to the complete and reliable record created and tested by the adversarial process in a trial or formal agency hearing.

WHAT THIS ALL MEANS TO US TODAY

The Bothke decision delivered a severe drubbing to the IRS, blowing away their claim of "absolute" or "qualified" immunity for their personnel who are "just doing their job." The agent is fully protected from suit if he/she follows proper procedure and after being put on notice that the "taxpayer" believes there to be a problem or error in the IRS's allegations of money amount due, correctly interprets such notice as a request for abatement and follows proper procedure for that request.

It seems to me that if you have determined that under the Constitution and the laws of the United States, that you are not liable for the income tax, and did not file a Form 1040 and the IRS sends you a notice, such as a 90-day letter, you would be within your rights to send a strongly worded protest such as Bothke did. Think about this: If you did not file a Form 1040, which is the complete basis for a lawful assessment, how can the IRS then make a clerical decision that you are required to file this form, then file a Substitute For Return (SFR) for you, computing the tax owed as "zero"

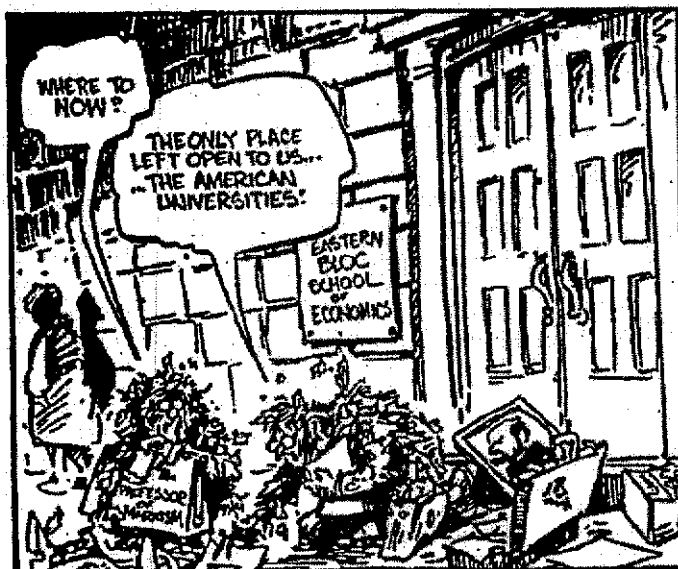
(0), then create a mathematical error and add penalties and interest? Does this not sound like a reasonable basis to ask for an abatement under section 6213?

Certainly you want all your response letters timely filed. Especially the 90 day letter response; this must be dated

before the 60th day! If the IRS then proceeds, after you have given them notice, they will not be able to shield the offending agent(s). The IRS usually contends that the agent(s) has acted within the scope of their office, and that any suit you may bring against the individual agent(s) is actually against the United States. Asking the judge to dismiss your suit, because the U.S. did not waive "sovereign immunity", is the ploy the IRS uses almost every time. So it is imperative that you set your case in concrete, by proceeding properly and timely, having evidence in hand, not giving them an inch of "wiggle room" before you start a lawsuit. Why waste your time, energy, and money and possibly create bad case law, by having your suit dismissed because you haven't done your homework? We know enough now to properly proceed against the underhanded tactics of the IRS, that it is "shame on you" if you don't properly respond and prepare. We are clearly seeing the light at the end of the tunnel, and it shines like Liberty.

SUMMARY

All responses to an IRS Notice of Deficiency, when you've not filed a tax return, should be responded to questioning the validity of the Deficiency. Refer to, and include a complete copy of the Bothke decision, this will put them on notice of the improper procedures. Consult SAP Headquarters for suggested "VEHICLES..." responses.





VEHICLES TO CONVEY PATRIOTS TO YORKTOWN



[EDITOR'S NOTE: The numbers and prices have again changed from those of previous issues of RA, and are effective as of 6/1/90. When ordering by phone or letter, please refer to the date of the issue you are referring to, the VEHICLE... number and name, and cost. Because of production costs, we reserve the right to change the listed prices at any time without notice.]

SAP Headquarters has decided that it is in the best interest of the Fellowship to restrict the availability of our exclusive VEHICLES... to the Membership only. Also, effective May 1, 1990, we will provide our VEHICLES... in personalized form only. We will no longer offer non-personalized versions due to the low demand, and to ensure that you are using the proper response for the need at hand.

We have also divided the VEHICLES... into two sections: PERSONALIZED and INFORMATIONAL, as an aid in understanding their use.

To repeat: you must be an **SAP Fellowship** member to receive either the PERSONALIZED VEHICLE, or an INFORMATIONAL VEHICLE.

THE PURPOSE OF SAP'S EXCLUSIVE VEHICLES...: To accelerate the determined march to achieve individual liberty, we have developed the following documents for our Fellowship members' use. The PERSONALIZED VEHICLES... are merge-printed using our computer and letter-quality printer to type out a professional quality letter ready for your signature.

You may order these "VEHICLES..." by either: 1. write to **SAP Headquarters**, referencing the VEHICLE... by number(s) and name and supply the information needed for each (also your telephone number if we have questions), enclose the proper cost of the VEHICLE(s)... in cash or totally blank Postal Money Order; or 2. telephone **SAP Headquarters** M-F, 9 a.m. to 5 p.m. Eastern

time, please have all of the information needed readily at hand.

PERSONALIZED VEHICLES...

#1. "AFFIDAVIT OF REVOCATION AND RESCISSION."

IMPORTANT: this "VEHICLE..." must precede all of the following VEHICLES... which are used in conjunction with it.

SAP recommends the use of this (6-page) legal instrument for every U.S. citizen and resident alien who has discovered the fact that there was **NO** legal requirement to file that first, and any subsequent, income tax return and wants to revoke that and all other Internal Revenue Service documents ever filed (W-4, etc.), and rescind their signature(s) therefrom. The affidavit is an allegation of "constructive fraud" that confronts the presumption of liability, head-on. According to Title 5, United States Code (USC) section 556(d), when jurisdiction is challenged the burden of proof reverts to the government agency, in this case, the IRS.

Two versions of the **AFFIDAVIT...** are available: 1. including a paragraph with the proper wording to revoke the original Form SS-5 application for the Taxpayer Identification Number/Social Security Number by rescinding your signature therefrom (see *Reasonable Action*, November/December 1989, page 10 for an article on the legal requirement to obtain this number); 2. without the before-mentioned paragraph. Note: the retention of the TIN/SSN causes jurisdictional complications with both State and Federal taxing codes, i.e. Form W-4 entanglement for Patriots working for a wage. (If you have questions, call.)

Cost: 20 FRNs, same price for either version.

Info needed to personalize: your full name, street address, Social Security Number (whether you are revoking Form SS-5 or not); name of both U.S. Senators, name of Congressman from your district.

#2. TAXPAYER DELINQUENCY INVESTIGATION (TDI) LETTER RESPONSE.

This letter is used to respond to the IRS's TDI form letter(s) (typically Letter 1862SC), inquiring about the alleged non-filing of a tax return (typically Form 1040). We suggest that you respond as soon as possible to this, not wait till the last minute to respond. The IRS response time requirement is 10 days. If you miss this response time it is not fatal, it just moves the TDI into the next procedural phase and makes it that much more difficult to overcome. If you do not respond, then it is presumed that you have a filing requirement and that you are delinquent. (This VEHICLE... will help to lay the proper foundation for a criminal defense, if such becomes necessary.)

Cost: 8 FRNs personalized.

Information needed to personalize: your name, address, IRS Service Center (look on your IRS inquiry letter), date of TDI letter, the year(s) mentioned on the TDI letter, name and title of IRS person who signed the letter, name of IRS "person to contact" if any.

#3. FREEDOM OF INFORMATION ACT (FOIA) and PRIVACY ACT REQUEST LETTERS.

[SPECIAL NOTE: If you do not have the time, ability, and/or knowledge of procedure to properly keep track of your requests, **SAP Headquarters** will, for a fee of 25 FRNs per

See VEHICLES Page 20.

VEHICLES from Page 19.

letter, write the necessary FOIA/Privacy Act request letters you need and keep track of the response times. "Power-of-attorney" must be signed over to accomplish this. Please call (don't write) *SAP Headquarters* for more information.

These information and document request letters we have developed are constantly being updated to take advantage of the discovery of new (previously unknown) IRS documents you need for evidence. We are now making requests for documents that prove the IRS is misapplying the tax laws. All Patriots should use the FOIA to obtain their "Individual Master File" (IMF) every six months to keep tabs on IRS activity concerning them, (and possibly nip their action in the bud.) We recommend that you request only that/those document(s) pertaining to that particular part of the fraudulent assessment procedure that you are involved with. This tactic makes it easier for you to keep track of your requests and helps to show the needed investigative pattern in any subsequent fraud action against the IRS. This also counters the IRS's new tactic of assessment of large fees for "searches for documents." They know that this monetary obstacle bars many Patriots from gathering the much-needed evidence.

We suggest that unless you are expert at FOIA request submissions, you use our requests. Our vantage point as your information clearing house keeps us up-to-the-minute in IRS shifts in procedure and tactics. We can save you valuable time and money.

At present our requests deal mainly with civil assessment procedures. We are now in the process of developing requests targeted at the forms used by the Criminal Investigation Division (CID), this should be a tremendous help in stopping IRS's misuse of their criminal prosecution procedures.

Cost: 8 FRNs per request letter.

Information needed to personalize: your name and address; Social Security Number, (and date that the SS No. application was revoked, i.e. date affidavit [Vehicle #1] was executed); the years in question, (from the first year that an income tax re-

turn was not filed); your IRS Regional Service Center and District Office (if during any of the year(s) involved you moved, give old IRS offices).

#4. 26 CFR, SECTION 1.1441-5 "Claiming to be a person not subject to withholding."

This is a statement of citizenship (or residency, if you are a permanent resident alien) which is to be used in place of a Form W-4 Employees Withholding Allowance Certificate. This statement, drafted according to the above-noted federal regulation, is given to an employee's withholding agent (chief of payroll, etc.) This VEHICLE... comes with instructions, copy of IRS Publication 515 page 2, copy of 26 CFR section 1.1441-5, sample "letter of transmittal" the company should retype on their stationary or corporate letterhead.

Cost: 8 FRNs personalized.

Information needed to personalize: your name, street address, birth date, place of birth (hospital, home, etc., street & city), employer's name & address.

#5. RESPONSE TO EMPLOYER'S DEMAND FOR FORM W-4.

This VEHICLE... is ONLY used if or when a "statement of citizenship/residency" (VEHICLE... #4) is refused by your current employer as a replacement for any Form W-4 you may have previously signed and given to him. OR if you have previously filed a Form W-4 "EXEMPT", that you have let expire, and given your employer a "statement..." to replace it, but whose employer then demands that a Form W-4 be submitted to him/her. This VEHICLE... is a letter detailing the law and the facts involving the filing of IRS forms, and advises the employer to forward it on to the company's attorney.

Cost: 8 FRNs personalized.

Information needed to personalize: your name, address, your county, name of company, address of company, name and title of the head (president, chairman, etc.) of company only.

#6. RESPONSE TO FORM W-9 LETTER.

Many Patriots who are in business, or deal with brokerage houses, etc., have run into the problem (due to deceptive IRS instructions) of having that institution demanding a Social Security Number be given to them. If not provided, they threaten to "backup withhold" 20% from the business transaction payment and turn it over to the IRS. This VEHICLE..., a letter, has had some success in thwarting this IRS tactic.

Cost: 8 FRNs personalized.

Information needed to personalize: your name, address, county, name of the company, address, name and title of the head of the company only.

#7. RESPONSE TO A 90-DAY LETTER / NOTICE OF DEFICIENCY.

If you receive one of these letters, you MUST respond to it within sixty (60) days of the date on that letter; the "90 days" only applies if you are going to petition the Tax Court (which is not appropriate in responding to this letter -- See RA editorial, July/Aug '89, beginning page 20, and John Kotmair's and John Knox's RA articles in the March/April 1990 issue for background information.) If you receive one of these IRS demands for the (usually) exorbitant amount listed at the bottom line, and have not filed a Form 1040 for the year(s) listed, you are holding a fraudulent document in your hands. This VEHICLE... lays the legal groundwork for a fraud action against IRS agents, etc. Included in this VEHICLE... are instructions, response letters, copy of relevant court case.

Cost: 15 FRNs personalized.

The information needed to personalize must be called into *SAP Headquarters*.

#8. RESPONSE TO A 30-DAY LETTER / PROPOSED ADJUSTMENT.

The IRS has several different "30-day letters", sent out for similar reason: presenting a "proposed adjustment" to "your account" and giving you the options of paying up or disagreeing with the figures. The usual IRS cover letter is "Letter 2321-SC"

and the attached estimates of alleged tax owed and interest and penalty computations appear to be computer-printed. Because of the differences in the various IRS letters, we have prepared appropriate responses. It is best to call *SAP Headquarters* and have the IRS letter in front of you, to determine which response to send. This *VEHICLE...* is only appropriate if you have not filed Form 1040 returns for the year(s) listed on the IRS documents. This *VEHICLE...* questions the correctness of the assessment, puts the agent(s) on notice of this fact, and asks what authority the "proposed adjustment" was prepared under. Included are instructions, letter(s) to the IRS agent(s) and copy of relevant court case.

Cost 15 FRNs personalized.

The information needed to personalize must be called into *SAP Headquarters*.

#9. 668-W (AND OTHERS) NOTICE OF LEVY RESPONSE.

This is a new *VEHICLE...* (introduced in *RA Jan./Feb. 1990*) that replaces the former #9. "Notice of Levy Response." After the publication of the *RA Sept/Oct '89* page 10 story "SAP INFO STOPS LEVY! IRS RETURNS MONEY!!". we had many requests for assistance in preparing similar responses. We began work on a specific *VEHICLE...* for this and happily, even more information has now been discovered to make this one powerful response. (See John Sasser's article *RA Jan./Feb '90*, page 4, detailing levy and seizure authority.) Included are: complete instructions, 1 ea. letter to the IRS employee issuing the document, 1 ea. FOIA request for documents supporting authority to issue the document, 1 ea. copy of relevant court case, sample "levy letters" for use as a guide in writing your own letters to those who might cooperate with IRS actions.

Cost: 25 FRNs, personalized.

Information needed to personalize: your name, address, SSN (and the date you revoked it), your phone number if we have questions, the specific name of the Form 668 you received, name of issuing IRS employee, IRS address, IRS District, the year(s) listed on the 668.

#10. IRS NOTICE OF LIEN RESPONSE.

This *VEHICLE...* is also now possible because of newly discovered information about IRS authority and procedure. The IRS typically uses a "lien" recorded in a county courthouse, as a basis for the seizure and sale of real property. (See John Sasser's article *RA Jan./Feb '90*, page 4, about seizure and levy authority.)

Included are: complete instructions, 1 ea. letter to the IRS employee issuing the document, 1 ea. FOIA request for documents supporting authority to issue the document, 1 ea. copy of relevant court case, sample "levy letters" for use as a guide in writing your own to those who might cooperate with IRS actions.

Cost: 25 FRNs, personalized.

Information needed to personalize: your name, address, SSN (and the date you revoked it), your phone number if we have questions, the specific name of the lien form you received, name of issuing IRS employee, the issuing IRS address, IRS District, the year(s) listed on the lien, serial number(s) of lien(s) listed.

#11. IRS COLLECTION SUMMONS RESPONSE.

New information concerning the IRS's procedures and authority to issue any type of "summons" to someone makes this *VEHICLE...* another powerful tool. The IRS typically sets a place, date and time for a meeting, directing the targeted citizen to bring along "books, papers, and records." This *VEHICLE...* response directly challenges the authority of the IRS to issue this "summons." (We suggest you obtain the "JAKE SNAKE" Informational *VEHICLE...* also, for suggestions of future strategies and tactics.)

Included are: complete instructions, 1 ea. letter to the IRS employee issuing the document, 1 ea. FOIA request for documents supporting authority to issue the document.

Cost: 15 FRNs, personalized only. Information needed to personalize: your name, address, SSN (and the date you revoked it), your phone number if we have questions, the specific name of the "summons" form you received, name of issuing IRS em-

ployee, the issuing IRS address, IRS District.

INFORMATIONAL VEHICLES...

#A. STATE FOIA REQUEST LETTER SAMPLES.

This is a collection of most of a year's worth (1989) of Maryland Public Information Act requests submitted to state agencies by David Baker. These requests may be of use to you in drafting your own letters and responding to the bureaucrats. Use this *VEHICLE...* in conjunction with the articles: David has written (*RA Sept/Oct '89*, Jan/Feb '90). We hope these samples of requests are as helpful to you as they were fruitful to us, in gaining documents needed to expose the wrongful application of the tax laws by your state bureaucrats. Cost: 25 FRNs.

#B. TAX COURT WITHDRAWAL INSTRUCTIONS.

We have had requests for the procedure on how to withdraw from the U.S. Tax Court, from those who have petitioned that court, out of ignorance, before they executed an AFFIDAVIT OF REVOCATION AND RESCISSION. (There is no official procedure.) The instructions are based on the fact that you petitioned the court in error, that you are not "taxpayer" who has standing to petition that court. (See *RA* editorial, July/Aug '89, beginning page 20, for a full explanation of this.) You will have to follow the instructions provided and prepare your own documents for submission. Included in this *VEHICLE...* are complete instructions and sample letters (Exhibits).

Cost: 15 FRNs.

#C. JAKE SNAKE LETTERS PROGRAM FOR IRS CRIMINAL INVESTIGATION TARGETS.

These sample letters are for use in your response to any IRS inquiry for information, after you have executed an AFFIDAVIT OF REVOCATION AND RESCISSION. (Note:

See *VEHICLES* Page 23.

VEHICLES from Page 21.

see VEHICLE... #2 for TDI response.) These are SAMPLE LETTERS ONLY! Do not use them word for word! Use them as a guide for tactics and strategies in creating material facts that can be used by a sharp Patriot defense attorney to tell the whole story to the average uninformed jury. (Material facts cannot be kept from a jury.) When this program has been properly utilized, the IRS loses its appetite to prosecute. (Note: do not engage any IRS Special Agent in conversation of any type! Do not answer verbal questions! If they have anything to ask you, tell them to put it in writing.)

Cost: 13 FRNs.

#D. COMMON LAW TRUST SERVICE

Patriots who want to make sure that their legacy goes to their heirs, can do so before death by the use of a trust. There are many kinds of trusts. We believe the one most beneficial to

Reasonable Action

THE BARKSDALE REPLY! (dated May 22, 1990)

VEHICLES continued.

Patriots is the Irrevocable Common Law Trust. If you are interested and have some knowledge of trusts, send for the "Trust Questionnaire". If you have no knowledge of trusts, call S.A.P. Headquarters for free consultation.

#E. PARALEGAL SERVICES

Limited paralegal services are now available through the Fellowship. If you have some legal savvy and want to manage a civil action yourself, a paralegal can provide valuable expertise in preparing the necessary documents. Please call for details.



This is in response to your correspondence dated April 23, 1990, requesting a copy of Notice and demand.

We agree that Section 6303(a) requires the forwarding of such a notice within 60 days of making an assessment; however, the regulation does not require that the IRS maintain a printed copy of such notice on file. These notices are now computer generated and our record that such a notice has been issued is an IMF computer entry. Therefore, we have no copies of this document to provide you. I am enclosing a transcript of your account showing the dates the notices were issued.

The IRM 1(15)59.26 requirement to maintain Form 4084 for five years does not apply to the original issuance of the notice but when the notice is used to process a payment or other miscellaneous adjustments.

Signed: B.B. Barksdale.

Continued on Page 24.

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Reasonable Action



Liberty



Justice



WHO'S WATCHING WHO?

Eternal Vigilance is the Price of Liberty!

When your friendly neighborhood Radio Shack person asks for the last four digits of your telephone number, remember he's just a symptom - a little cog in a very large wheel that is poised to roll over every civil libertarian that remains in this the freest nation that ever was. If you give it to him without so much as a wimper, perhaps you are part of the problem. But don't pass up a great opportunity to educate him and the other people in line. Just be pleasant and gentle. *You get more flies with honey.*

When we stop watching government we inevitably set in motion a mechanism that predictably results in a government that watches us. As fat [in every way] citizens decide in greater numbers to neglect the responsibilities of self government and then give birth to more and more self-interested offspring, I ask you, what do you think will happen? Will these willfully ignorant masses "evolve" into a free people? It would seem most modern "prophecy" requires but little talent and *even less information.*

As government efforts to extend surveillance increase there will be a coordinate decline in liberty - no mystery here.

Consider the fact that 99.9% of Americans already possess Social Security Numbers [SSNs] that they are fully convinced are required by law. Why should they balk at a little more invasiveness, as long as there is a coordinate degree of

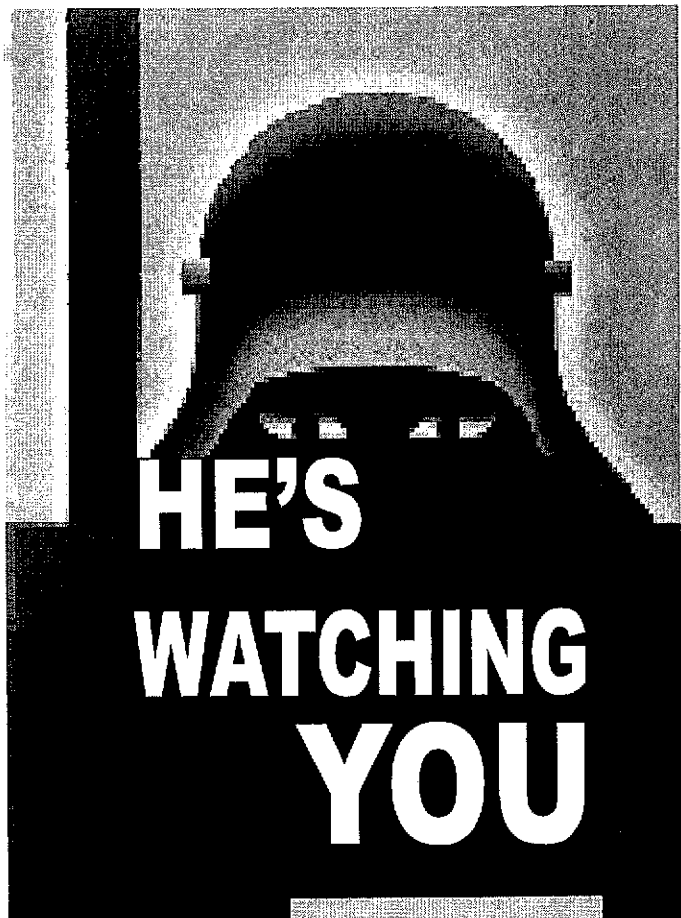


Exhibit 6C

See Security Page 4

The WWII po
National Archives webs
<http://www.nara.gov/exhal>
Hopefully American citizens will see
how they are being manipulated be

Statement of Purpose for the Save-A-Patriot Fellowship

The S.A.P. Fellowship is a 1st amendment association dedicated to seeing that IRS and other government personnel obey the law. Our association recognizes the necessity of taxation (raising of revenues) but we also recognize that this necessity has provisions in the law, and that the government, in meeting its exigencies, may not extend its activities beyond the law.

The Fellowship actively promotes the study of the law and the assertion of one's rights in accordance with the law. It does not "protest" or "object" to any tax, income or otherwise, and is NOT a "tax protest" organization. However, Fellowship members believe that many Internal Revenue Service (IRS) employees routinely misapply and illegally enforce the provisions of the law and that the public must find a way to hold them within the law. To that end the Fellowship educates the public, shows in its publications what the law actually says, and attempts to clarify the limitations of various tax laws as was intended by Congress. The Fellowship does not advocate or condone unlawful resistance, protest, or other like actions.

However, as law abiding citizens we will not tolerate illegal threats, intimidation or acts of violence by government employees who exceed their authority under the law. The Fellowship has researched and developed legal defenses to help prevent this and to protect our Liberty and Property.

The Fellowship believes that this has become necessary because too many government bureaucrats have been relying on unlawful and un-American tactics such as fear and intimidation to keep the public "in line" in order to perpetuate their own private agendas. They have and continue to use the news media to plant stories suggesting that resistance is useless and reprisal is swift and financially painful. These "reminders" and a lifetime of conditioning make it difficult for most people to assert their rights. However, S.A.P. Fellowship members have joined together to help remove the risk by pledging to assist one another!

To our knowledge, there is no insurance company willing to buck the system and insure Patriots against criminal acts of government agencies or their employees. Creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submission to the dictates of the Insurance Commission. In no time at all, we would have been expending funds fighting legal actions just trying to survive. It would have also been necessary to protect such funds from the searching eyes of the IRS and other government agencies.

There was only one totally logical answer: a FELLOWSHIP that gives the Patriot insurance-like

protection, hence to Save-A-Patriot!

How Does It Work?

Simply put, Fellowship members pledge to reimburse other members for losses of cash or property incurred by illegal confiscations. This is done by spreading the reimbursement costs to all members. For example, suppose that after a valiant and stubborn struggle through the phases of the legal maze, a member were to lose his vehicle to an illegal seizure. Let's value the vehicle at 9,000 Federal Reserve Notes (commonly called "dollars"). If there are 10,000 members participating in the Fellowship, S.A.P. would verify the loss and apportion the liability at a rate of .90 cents per member. PRESTO! Mr. or Ms. Member Patriot suffers NO loss and his friends' fear of possible IRS retaliation is gone! Real-life examples such as this have convinced "closet" Patriots to join the S.A.P. Fellowship in droves! Welcome to the Constitutional Revivalist Movement!

The surest and safest protection of funds is to keep them in the hands of the members. The only money to be sent to S.A.P. Headquarters is the annual 70 FRNs membership participation fee. This is tendered in FRNs (cash) or a totally blank Postal Money Order (cash can be sent by certified mail). S.A.P. maintains no bank account, so checks or money orders made out to "S.A.P." can't be endorsed and cashed. The membership fee is used for the administrative needs of S.A.P. — staff, rent, phone, printing, postage, etc. After verification by Headquarters of losses to claimant member, an apportionment is sent out to the membership; you send payments DIRECTLY to the claimant (or their beneficiary)! S.A.P. merely verifies that all members have met their assessment obligations by a simple procedure.

Payment For Incarceration. There are still occurrences when a Patriot is criminally tried, convicted and jailed. This is the most difficult financial burden to individually shoulder. Therefore, it is the stated policy of the Fellowship to assess for the beneficiary of each incarcerated Patriot 25,000 FRNs per calendar year, during the period of actual incarceration. To the best of our knowledge, there have never been more than 30 Patriots in jail after conviction at any one time. At this rate, and assuming that all were covered S.A.P. Fellowship members, this protection would cost 10,000 members 75 FRNs for all those jailed. If there are 80,000 members participating, it would only be 9.38 FRNs each for all 30 beneficiaries!

The figure of "80,000" is in line with a 1984 federal estimate of the number of participants with

in the so-called Tax Patriot segment of the Constitutional Revivalist Movement. Using this figure as our goal for total Fellowship participation, we could increase the incarceration payoff amount to 100,000 FRNs each per calendar year and it would only cost each member 37.50 FRNs to support the 30 jailed members! With this kind of hard-cash protection, Americans will not only lose their fear of the IRS, but will almost be standing in line to go to jail!!! Even IRS agents could not resist such an offer!

In other words, remove the financial threat to the average American individual citizen, and the IRS's house of cards will collapse! — AND LIBERTY WILL ABOUND!!!

Reasonable Action Newsletter

The RA is the Fellowship's tool of Education. It is available only to Fellowship members by paid subscription, at 35 FRNs per year for six (6) issues. (See page 23 of this issue for a subscription coupon.) You are holding in your hands one of the most highly respected Patriot publications in the country. It is the culmination of over twenty years of blood, sweat and tears of thousands of named and unnamed Americans. The articles appearing on these pages represent the state-of-the-art in legal understanding of the United States system of income taxation. You will not find any groundless "far-out" theories. You will find thoughtful, provocative articles, discussions and opinions that are grounded in fact and logic. The editors strive to ensure the accuracy of all the presented writings, insisting that the authors give attributions so the reader may verify the accuracy himself. As a matter of principle, we recommend that as each article is read, a copy of the Internal Revenue Code be close at hand. Education is the key to throwing off the (imaginary) chains of IRS bondage! Remember—an ignorant public is the IRS's best friend...an educated citizen is the IRS's worst nightmare!!!

**SUPERCEDED by
the VICTORY EXPRESS
See Issue #229**

ATTENTION!!! SPECIAL NOTE TO READERS

The information presented in the various authored tax-related articles and editorials is based on what the writers believe to be true. The editors of this publication strive to ensure that all information appearing on these pages is based on fact and represents the state-of-the-art in understanding the income tax laws as administered and enforced by the Internal Revenue Service. However, we strongly advise that the reader personally verify the accuracy of the information himself. A general disclaimer is now presented: The authors, editors and publisher of this newsletter make no guarantees, nor will be responsible, about the uses for which anyone may use this material.

NOTICE

The Save-A-Patriot Fellowship and the staff of the Reasonable Action Newsletter strongly believe that everyone must file whatever returns the law requires them to file, and pay any tax due for any liability as shown thereon in a timely and conscientious fashion. We do not condone the willful non-filing of required returns nor evasion of such taxes. No article published in any edition of the RA should be construed to encourage the "protest" of any such tax or filing requirements, or as an endorsement to rebel against any government agency having lawful approval for, and lawful authority to request information, or to carry out the provisions of any of the laws of these United States. We disseminate factual information about federal and state law as well as the Constitution of the United States. We also encourage the study of those laws, and the assertion of one's rights in accordance with the law.

From *SECURITY* Page 1

"security" offered? Such is the mind set of humans being taught to behave as cattle.

Yes, there have been other regimes that offered security. We are slow learners. Government security has been an eternal delusion that swallows up unwary populations with great regularity. History teaches us that we had better watch government very carefully. When "they" start watching us more and more, the end is getting closer and closer. The "customer" is about to become the prey.

Perhaps we should remove that quotation from the statue at the entrance of our National Archives ["the Price of Liberty is Eternal Vigilance"] and replace it with a variation: "The Price of Security is Eternal Surveillance." I did a mock-up poster of that revision with the face of Nicolai Vladimir Lenin - a guy that makes most pictorial conceptions of Satan look tame. Of course we have to explain who "the really evil looking guy" is to most folks. No surprise, we understand Al Gore couldn't recognize busts of the most famous Founding Fathers.

At any rate, visiting the National Archives and reading that now "confusing" maxim might be something public school-educated children should not be exposed to in the future. Why disturb their NEA-induced sleep?

Two crucial things we offer the sleeping public: wake-up calls and hard copy documentation of real situations of fact and law. In other words, the way to take everything back to the safe state where we watch the government and they are properly "conditioned" to assert no unlawful authority to survey the lawful activities of law abiding citizens who are their *masters and sovereigns* under the Constitution.

We do not recognize "emergency" measures whether "necessary" for real or contrived emergencies either internal or external as the excuse for systematically imposing more and more encroachments upon our fundamental liberties. This is an old trick that had been tried a thousand times before this

country was founded upon higher and nobler standards.

Consider the words of James Madison in the Federal Convention: *The same causes which have rendered the Old world the theatre of incessant wars, and have banished liberty from the face of it, would soon produce the same effects here... In time of actual war, great discretionary powers are constantly given to the Executive magistrate. Constant apprehension of war has the same tendency to render the head too large for the body. A standing military force, with an overgrown Executive, will not long be safe companions to liberty. The means of defence against foreign danger have been always the instruments of tyranny at home. Among the Romans it was a standing maxim, to excite a war whenever a revolt was apprehended. Throughout all Europe, the armies kept up under the pretext of defending, have enslaved the people. It is, perhaps, questionable, whether the best concerted system of absolute power in Europe, could maintain itself, in a situation where no alarms of external danger could tame the people to the domestic yoke...* From Madison's *Journal of the Federal Convention*.

Does that give you a new respect for the recent movie: "Wag the Dog?" It would seem many dogs have been wagged since the bankers started owning our presidents. Enough is enough! We understand the deal now and don't plan on being dragged into the New World Order without a lot of kicking and screaming - or even with a lot of kicking and screaming.

It was just yesterday, wasn't it, that we witnessed the former East Germans dismantling the hated headquarters and scattering the remains of files kept up for the purpose of controlling every aspect of East German life during that *communist* regime? Of course there are two possible reasons the Wall could be torn down. One of them is that the Soviet Union was having a reorganization in bankruptcy of sorts and its management style would conform more closely to ours; at least closely enough for a kind of "merger."

"State Police" is only the reverse of "Police State." More and more reports are coming in about asset forfeitures and intrusive violations by various policing agencies who get to keep part of the booty. Cops on "straight commission" will not comport with liberty and due process of law. For more information regarding unlawful seizures visit <http://www.fear.org> on the Internet. There you will find accounts of the unlawful seizure *du jour*.

How can you tell the modern D.A.R.E. programs from Hitler's Youth? Maybe they just have better graphics? They do teach kids to "rat out" their parents. Although we do not advocate law breaking of any kind, we cannot recognize the parental rights of the Super State anymore than the Germans should have. The kids in the D.A.R.E. program need to speak with Germans who were adopted by their State. It's always "for the children." Just listen to Bill and Hillary.

NO SILVER BULLETS - ONLY LAWFUL *TEDIOUS* SOLUTIONS

We have continually stressed that the JUDICIARY is the most vile branch of government at the moment. These are followed closely behind by the legislators who are apparently lining their pockets with the fair share of legislative plunder. How convenient that most get away with voting themselves raises and increased benefits from government coffers all of which must be peanuts compared to their "extra-curricular" fund-raising efforts.

WHERE IS THE PRESSURE FOR REAL CHANGE TO BEGIN?

EDUCATION is first, followed by pressure on the legislators to rein in the judges. Next, we must pressure legislators to do less legislating and roll back legal encroachments on liberty that are their doing. It is perverse to believe that the quantity of new laws is an indicator of legislators having done a good job.

The executive branches cannot

See *SECURITY* Page 18

MY "STATE" SAYS THAT I MUST PROVIDE AN SSN IN ORDER TO GET A DRIVER'S LICENSE?

- Joseph Pullifrone, National Workers Rights Committee 9-15-98

In light of the many concerns about the Social Security number - driver's license myth, the concept of jurisdiction seems to rear its head every time. In a previous Reasonable Action we were enlightened by the Congressional Research Service's admission that "The term 'State' in 26 U.S. Code 3121(e) specifically includes **only** the named U.S. territories and possessions of the District of Columbia, Puerto Rico, the Virgin Islands, Guam and America Samoa." (Emphasis added) Of course this flies in the face of the many assertions that "State" already includes the several states of the Union in addition to the four named island possessions. I am sure our friend Vincent Sanudo down at the Social Security Administration is still in denial.

The Social Security Act is Codified in Title 42 U.S.C., Public Health and Welfare. Found within the Act are the various definitions used to define the legal terms surrounding "employment" as it relates to the Social Security Program. Since the IRS collects the Social Security tax, those same definitions are used within Title 26 U.S.C., Internal Revenue to define what is employment. Such is the case with terms like "wages", "employment", "employee", "State" and "United States". The definitions of those terms are profoundly important because they establish the appropriate jurisdiction when used within a statute in the Code. Lets take a look at 42 U.S.C. § 405(c)(2)(C)(i) which most states of the Union use as their authority to require the submission of a Social Security number in order to issue a driver's license.

42 USC § 405. Evidence and procedure for establishment of benefits.

(i) It is the policy of the **United**

States that any State (or political subdivision thereof) may, in the administration of any tax, general public assistance, driver's license, or motor vehicle registration law within its jurisdiction, utilize the social security account numbers issued by the Commissioner of Social Security for the purpose of establishing the identi-

The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

fication of individuals affected by such law, and may require any individual who is or appears to be so affected to furnish to such State (or political subdivision thereof) or any agency thereof having administrative responsibility for the law involved, the social security account number (or numbers, if he has more than one such number) issued to him by the Commissioner of Social Security. (Emphasis added)

It is very important to note that within this section of Title 42 there are two legal definitions that must be defined so that the intent of Congress can be exposed. These two legal terms are "United States" and "State" and are defined in 42 U.S.C. §410.

42 USC §410. Definitions relating to employment

For the purposes of this title

(h) **State.** The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(i) **United States.** The term "United States" when used in a geographical sense means the States, the District of Columbia, the Commonwealth of Puerto

Rico, the Virgin Islands, Guam, and American Samoa.

Notice that the definition of "State" lists **only** the District of Columbia, Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa. One may immediately jump to the conclusion that the definition already includes the fifty states of the Union and could not possibly be defined as only the District of Columbia and the four island possessions. However, this is exactly what it means because statutes mean only that which is stated and nothing more. The word "includes" when used in statutes is a term of **confinement** not expansion. As defined in Noah Webster's Dictionary of 1828 the term "include" means:

INCLUDE, v.t.

1. To confine within; to hold; to contain;

Consider the following:

- a. All legal terms must be defined.
- b. It is the definition given by Congress that defines the term.
- c. The definition given by Congress contains nothing other than that which is specifically written.

Within the definition of the "United States" you will notice a familiar grammatical construction known as an apposition or an appositive sentence. Noah Webster defines *apposition* as:

APPOSITION, n.

2. In Grammar, the placing of two nouns, in the same case, without a connecting word between them; as, I admire Cicero, the orator. In this case, the second noun explains or characterizes the first.

Quite simply, the nouns District of Columbia, Commonwealth of Puerto Rico, Virgin Islands, Guam, and American Samoa all act as adjectives that "explain" or "characterize" the noun "States." The sentence defining the "United States" could also be written as: [The term "United States" when used in a geographical sense means the States: the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa] without changing the meaning or the intent.

Thus, the definition of the United States includes only the States which are listed as the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa. Therefore, within 42 U.S.C. § 405(c)(2)(C)(i) the terms "State" and "United States" do not include any of the fifty states of the Union.

As seen throughout Title 42, Congress will specifically "include" the "50 states" when the intent of Congress is to "include" the 50 states of the Union. In fact, the term "United States" is defined within Title 42 numerous times to establish the jurisdiction of a particular statute.

Title 42 U.S.C. §1301(a)(8)(C) Definitions.

(C) The term "United States" means (but only for purposes of subparagraphs (A) and (B) of this paragraph) **the fifty States** and the District of Columbia.

Title 42 U.S.C. §1382c Definitions.

(e) For purposes of this title, the term "United States", when used in a geographical sense, means **the 50 States** and the District of Columbia.

Title 42 U.S.C. § 291b(1)(D)(c)

(4) The term "United States" means (but only for purposes of paragraphs (1)

and (2)) **the fifty States** and the District of Columbia.

Title 42 U.S.C. § 428

(e) Suspension where individual is residing outside the United States. The benefit to which any individual is entitled under this section for any month shall not be paid if, during such month, such individual is not a resident of the United States. For purposes of this subsection, the term "United States" means **the 50 States** and the District of Columbia.

Are the Feds finally acknowledging that no U.S. Citizen is required by law to apply for and use social security numbers?

Title 42 U.S.C. §621

(d) "United States" defined. For purposes of this section, the term "United States" means **the fifty States** and the District of Columbia.

Title 42 U.S.C. §1772

(3) For the purposes of this section "United States" means **the fifty States**, Guam, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands [emphasis added in previous legal citations].

In the case of Title 42 § 405(c)(2)(C)(i) the jurisdiction is the District of Columbia and the island possessions of the United States government. No matter how hard the IRS or the SSA would like to squeeze in the 50 states of the Union, as a matter of law (what else matters?) only the District of Columbia and the island possessions of the U.S. government fall within the jurisdiction of Social Security and any requirement to supply a number.

Recently we received a copy of a proposed regulation from the

Department of Transportation regarding State-issued driver's licenses. Oddly enough, this proposed regulation has provisions for those U.S. Citizens who choose not to indenture their children and grandchildren by applying to have them numbered.

Title 23 Code of Federal Regulations Part 1331, Section 1331.6 states in pertinent part:

Social security number.

(d) States shall require each applicant who claims not to hold a social security number to sign a certifying statement to that effect.

(e) States may require licenses and documents issued to individuals who do not possess social security numbers to contain an alternative numeric identifier that can be read visually or by electronic means.

WHAT LIES AHEAD?

Could this proposed regulation put an end to the abusive nature of some States of the Union who still demand SSNs from U.S. Citizens? Are the Feds finally acknowledging that no U.S. Citizen is required by law to apply for and use social security numbers? We shall leave the answers to our readers. We do know that this issue has become exceedingly popular throughout the patriot community and has caused quite a disturbance within the various motor vehicle agencies. It should be noted that while we stand against the unlawful use of social security numbers, other more intrusive identifiers are being considered by various states. In fact, the Motor Vehicle Administration in Maryland is seeking to implement fingerprints and facial recognition in its next driver's licensing system which will be implemented on January 1, 2001. How long will we stand silent? How many more "Orwellian" tactics will be implemented before we decide that action must be taken? Education and vigilance will remedy the ignorant minds.



Abatements of Income Tax

by Dick Greb - Head Caseworker at the Save-A-Patriot Fellowship

SAP cites two different sections of the Internal Revenue Code for justification for its position on requesting abatements — Section 6213(b)(2)(A) and Section 6404(a)(3). I will examine each of these sections to try to determine its uses and its applicability to the circumstances of both taxpayers (persons made liable for any tax) and non-taxpayers (persons not made liable by statute for any tax).

Part I - 26 USC Section 6213
Section 6213(b) states: "If the taxpayer is notified that, on account of a mathematical or clerical error appearing on the return ..."
 [Emphasis added]

It can be seen right away that this section deals specifically with "taxpayers" (persons who are *subject to*, or *liable for*, a tax). Not only that, but such taxpayer must have made a mathematical or clerical error on their return which resulted in less tax being shown than was due. Therefore, the conditions precedent to this subsection result in its very limited application.

There are a number of facts that can be determined at this point. The first of these is that a return must have been filed in order for an error to be found. Next is the fact that the return must have been filed by a person who was liable (a taxpayer) since Section 6001 limits the requirement for making returns to persons liable. It is noted here that although an argument might be made that a SFR [substitute for return] filed by the IRS could be considered to contain mathematical and clerical errors, paragraph (b) limits the application to taxpayers receiving notice of such errors (typically Notice CP-11). Since no such notice is given to the taxpayer in Substitute for Return situations, we

will disregard such situations for the purposes of this discussion.

The third fact is that the IRS determined that more tax was due than the taxpayer reported on their return, and that they (the IRS) were able to determine the correct amount by examining the return, discovering the error(s) made, and correcting the calculation.

Under this fact situation, the notice which the IRS sends the taxpayer to inform them of this error does not entitle the taxpayer to petition Tax Court for a redetermination of the amount of extra tax due — only a Notice of Deficiency confers this right to petition Tax Court — and likewise, other protections are also by-passed. These are described in the second half of paragraph (1) of Section 6213(b). Due to the loss of these protections a remedy was created which would give the taxpayer in this special fact situation the same rights as other taxpayers who were assessed more taxes than what they reported.

This remedy is described in subparagraph (A) of Section 6213(b)(2):

"(A) Request for abatement. **Notwithstanding section 6404(b), a taxpayer may file with the Secretary within 60 days after notice is sent under paragraph (1) a request for abatement of any assessment specified in such notice, and upon receipt of such request, the Secretary shall abate the assessment. Any reassessment of the tax with respect to which an abatement is made under this subparagraph shall be subject to the deficiency procedures prescribed by this subchapter.**" [Emphasis added]

Thus, this procedure allows the tax-

payer to regain those lost protections by forcing the Secretary to use the deficiency procedures, along with their accompanying provisions for review by the Tax Court, as previously mentioned. The presumption in all of this is that someone who makes an inadvertent but identifiable error on their return would not typically want to contest the correction, so a notice informing such taxpayer of that error would be sufficient to collect the extra amount determined to be due. However, if the taxpayer did want to contest this 'correction', he merely needed to request an abatement within the proper time and the tax would be abated.

It must be noted here that this subparagraph also creates an exception to the general restriction within Section 6404(b), which forbids taxpayers from requesting an abatement with respect to taxes imposed under Subtitles A or B. We shall examine this restriction in more detail in the next part.

Part II - 26 USC Section 6404

Section 6404 of the IRC states: "Section 6404. **Abatements.**

(a) General rule.

The *Secretary is authorized to abate the unpaid portion of the assessment of any tax* or any liability in respect thereof, *which* —

(1) is excessive in amount, or

(2) is assessed after the expiration of the period of limitation properly applicable thereto, or

(3) *is erroneously or illegally assessed.*

(b) No claim for abatement of income, estate, and gift taxes.

No claim for abatement shall be filed *by a taxpayer* in respect of an assessment of any tax imposed under Subtitle A or B." [Emphasis added]

The first thing to look at here is that paragraph (a) makes no mention of 'taxpayers' or 'persons liable'. In fact, the clear language of the paragraph authorizes the Secretary to abate the assessment of any tax if such assessment meets one of the conditions described in subparagraphs (1), (2), or (3). It is typically erroneous and illegal assessments for which SAP requests abatement.

Paragraph (b) places a restriction on the **taxpayer** who is liable for Subtitle A or B taxes, in that such taxpayers are not permitted to file a claim for abatement. Then what remedy is available for such **taxpayer** who has been excessively assessed? Let's first try to determine the facts of such a case. A person liable for a Subtitle A tax would be required to file a return (subject to Section 6012), so therefore any assessment would result from one of the following:

- 1) an assessment of the amount determined by the taxpayer on their return;
- 2) an assessment of an amount determined by the IRS on the basis of a mathematical or clerical error made by the taxpayer on their return;
- 3) an assessment of an amount determined by the IRS on the basis of an examination or audit of the taxpayer's return; or
- 4) an assessment of an amount determined by the IRS on the basis of a "return" prepared by the IRS pursuant to IRC Section 6020(b).

In Situation 1 above, since the Secretary merely assesses the amount sworn by the taxpayer to be their liability, there could be no reason why the taxpayer needs to be entitled to an abatement. Situation 2 has its own special remedy, already discussed in Part I, and so again, there is no reason to provide for an abatement under this situation either. It should be noted that a taxpayer in Situation 2 who avails himself of the abatement provision of Section 6213(b)(2) effectively places himself into Situation 3 above if the Secretary decides to proceed under the deficiency procedures.

This brings us to Situation 3, for which a taxpayer could have a legiti-

mate reason for requesting an abatement, since the Secretary has ignored the taxpayer's sworn testimony and redetermined the amount of such taxpayer's liability. If we look in **Section 6213(a)**, we find the remedy for the taxpayer in this situation.

Section 6213(a) states: "(a) Time for filing petition and restriction on assessment.

Within 90 days, or 150 days if the notice is addressed to a person outside the United States, after the notice of deficiency authorized in section 6212 is mailed (not counting Saturday, Sunday, or a legal holiday in the District of Columbia as the last day), the **taxpayer** may file a petition with the Tax Court for a **redetermination of the deficiency.**" [Emphasis added]

Here the taxpayer is given an opportunity to contest the extra amount of tax which the Secretary proposes to assess, before the assessment actually takes place. In fact, this is precisely the type of case for which the Tax Court was created. Since the taxpayer has legally recognized himself to be a person made liable, and filed the required return, the only issues that would need to be addressed by the Tax Court are those related to the amount of tax owed by the taxpayer. Thus Tax Court is the remedy for the taxpayer in Situation 3, since such a taxpayer merely wants the chance to present his arguments to support his sworn determination of tax before a review board.

Tax Court only has jurisdiction to determine the amount of tax which is owed by someone already made liable for the tax. Tax Court does not have jurisdiction to determine whether or not a person is a "taxpayer [a person liable for, or subject to, a tax]." Thus, a person petitioning Tax Court is presumed to be a taxpayer, since Tax Court's jurisdiction is limited to taxpayers. Therefore, a taxpayer's right to due process is protected in Situation 3 by this ability to have the proposed assessment reviewed before he is required to

pay it.

This leaves Situation 4 — here, if the person liable for the tax (the withholding agent), refuses or neglects to file the return (Form 1042, "Annual Withholding Return for U.S. Source Income of Foreign Persons" according to 26 CFR § 602.101), and the Secretary prepares and executes (signs) a return for the liable person, such return will be considered prima facie valid. However, if the taxpayer disagrees with the amount of tax determined by the Secretary, he could file corrected delinquent returns. This then would bring the taxpayer within the circumstances of either Situation 1, 2, or 3.

It must be noted here that Situation 4 is merely theoretical, since the Secretary has only delegated the authority to execute excise and employment tax returns. However, it is included here to present a complete picture, as there is no statutory limitation to the Secretary executing any required return, only a lack of delegated authority to his subordinates to do so.

As can be seen from this analysis, this restriction on taxpayers making claims for abatement with respect to Subtitle A and B is not meant to be some sort of punishment or an attempt to deprive them of their rights. It is only because other provisions are in place to address their situations that abatements pursuant to Section 6404 are unnecessary with respect to Subtitle A [and, although not addressed, presumably Subtitle B] taxpayers.

However, this doesn't mean that Section 6404(b) prohibits abatements of all assessments with respect to Subtitles A. Instead, it specifically limits the restriction placed upon claims for abatements to "taxpayers" (persons liable for, or subject to, the tax). As shown above, these taxpayers are rightfully excluded from these abatements. Since the restriction is limited to "taxpayers," those persons who are not statutorily liable for a tax ["non-taxpayers"] are still permitted to avail themselves of claims for abatement with respect to Subtitle A and B taxes.

See ABATE Page 18

The Fate of the Signatories

by Gary Hildreth

Have you ever wondered what happened to the 56 men who signed the Declaration of Independence?

Five signers were captured by the British as traitors, and tortured before they died. Twelve had their homes ransacked and burned. Two lost their sons in the Revolutionary Army, another had two sons captured. Nine of the 56 fought and died from wounds or hardships of the Revolutionary War.

They signed and they pledged their lives, their fortunes, and their sacred honor.

What kind of men were they? Twenty-four were lawyers and jurists. Eleven were merchants, nine were farmers and large plantation owners; men of means, well educated. But they signed the Declaration of Independence knowing full well that the penalty would be death if they were captured.

Carter Braxton of Virginia, a wealthy planter and trader, saw his ships swept from the seas by the British Navy. He sold his home and properties to pay his debts, and died in rags.

Thomas McKeam was so hounded by the British that he was forced to move his family almost constantly. He served in the Congress without pay, and his family was

kept in hiding. His possessions were taken from him, and poverty was his reward.

Vandals or soldiers looted the properties of Dillery, Hall, Clymer, Walton, Gwinnett, Heyward, Rutledge, and Middleton.

At the battle of Yorktown, Thomas Nelson, Jr., noted that the British General Cornwallis had taken over the Nelson home for his headquarters. He quietly urged General George Washington to open fire. The home was destroyed, and Nelson died bankrupt.

Francis Lewis had his home and properties destroyed. The enemy jailed his wife, and she died within a few months.

John Hart was driven from his wife's bedside as she was dying. Their 13 children fled for their lives. His fields and his gristmill were laid to waste. For more than a year he lived in forests and caves, returning home to find his wife dead and his children vanished. A few weeks later he died from exhaustion and a broken heart. Norris and Livingston suffered similar fates.

Such were the stories and sacrifices of the American Revolution. These were not wild eyed, rabble-rousing ruffians.

They were soft-spoken men of means and education. They had security, but they valued liberty more. Standing tall, straight, and unwavering, they pledged: "For the support of this declaration, with firm reliance on the protection of the divine providence, we mutually pledge to each other, our lives, our fortunes, and our sacred honor."

They gave you and me a free and independent America. The history books never told you a lot of what happened in the Revolutionary War. We didn't just fight the British. We were British subjects at that time and we fought our own government! Perhaps you can now see why our founding fathers had a hatred for standing armies, and allowed [*sic] through the Second Amendment for everyone to be armed.

Frankly, I can't read this without crying. Some of us take these liberties so much for granted...We shouldn't.

* The Second Amendment is a prohibition *against* the Federal Government - not permission from government to exercise our God-given right to self defense. The Constitution delegates no gun-control powers to any purportedly "sovereign" central government. The word "allowed" therefore, is an inadequate choice. The Framers of the Bill of Rights were engaged in an effort to emphasize the limited nature of a government that derived the sum total of its powers from We The People the only governing Sovereign.

LIGHT IN THE DARKNESS

A video presentation of actual interviews with the defendants and members of Franklin Sanders' church.

Available directly from S.A.P.

☎ 30 FRNS + 3 S&H

Reflections on the longest tax trial in history wherein 17 defendants were acquitted of a 33 count indictment. The principal defendant was Franklin Sanders, and his defense attorney was Lowell [Larry] Becraft. After the long ordeal, the government came up with nothing but *egg on its face*. Now you can see and hear the rest of the story [in a way you're not likely to get it from Paul Harvey] from the people who lived it. Their faith and perseverance in the face of what seemed like insurmountable odds, is an inspiration to us all.

The Tape is a Testimony to the power of God in the face of government oppression!

- Franklin Sanders

From *SECURITY* Page 4

oppress the people if the courts will not uphold their unlawful decrees. Two of the three branches can rein in an outlaw third.

Of course we realize there are so many skeletons in Washington that there is a shortage of closet space. That must be the reason there is so scant resolve for discipline. How else can we explain their tolerance for a festering boil, Bill Clinton?

WE MUST STAND AND BE COUNTED WHEN LIBERTY IS ON THE LINE

When anyone is suffering for the sake of liberty, we should be there in whatever capacity possible. If we only train citizens to be capable jurors, we will have served a major role. If we have financial resources, we can seek out those who have either lost property or who need additional resources to fight a righteous legal battle and help financially as we are able.

When we have an opportunity to teach, we do our duty by being adequately prepared. We learn to articulate the liberty principles and tailor our presentation to the hearer or the student. How many of us have just spouted out everything on our minds with such "enthusiasm" that we have turned off not only the person we were trying to reach, but potentially everyone he ever gets to talk to about us in the future. Relax, the truth and the facts are on the side of liberty.

We cannot neglect the spiritual component if we are to be faithful to our trust. The Signers and other Patriots were relying on God - not their own abilities or cleverness. This statement should be given double weight since we can be fairly certain they were better prepared in human terms. They trained and learned strategy, and they left the outcome to the Almighty. We can do no less.

Are we awake yet? **WHO'S WATCHING WHO?**



From *AFTANAFTA* Page 9

production and to provide improved mechanisms for relief for United States producers that are adversely affected by such imports.

(g) RENEGOTIATE NAFTA TO ENSURE COMPLIANCE WITH UNITED STATES TRANSPORTATION STANDARDS - The President is authorized and directed to confer with the Governments of Canada and Mexico and to renegotiate the terms of NAFTA and other relevant agreements to provide for implementation of a comprehensive enforcement system to ensure that every commercial truck or bus entering the United States is properly inspected so that the vehicle and its driver are in compliance with United States transportation standards before entering the United States.

SEC. 5. CONSULTATION WITH CONGRESS.

The President shall consult regularly with the Congress regarding the certifications described in section 3(b) and the renegotiations described in section

4. The United States Trade Representative shall consult with the appropriate committees of Congress in the development of any technical and conforming amendments that may be required to carry out the provisions of this Act.

SEC. 6. NO EXPANSION OF NAFTA.

Until such time as the conditions described in section 3 are met, it is the sense of the Congress that the President should not engage in negotiations to expand NAFTA to include other countries and that fast-track authority should not be renewed with respect to the approval of any such expansion of NAFTA.

S.A.P. SUMMARY

What more can we add? Congress will condemn or redeem themselves by their own acts and words. Whether they are God-fearing men and women, or whether they believe (as Mr. Clinton apparently does) that the American people should be subject to an imperial presidency, an oligarchy, or an aristocracy, the future handling of unwarranted and destructive *extra-constitutional* acts such as NAFTA will continue to expose their true intent.

We have no need of conspiracy theories. The Congress has taken an Oath to the Constitution that many of them betray daily with *seditions* acts such as this.



The genius of our ruling class is that it has kept a majority of the people from ever questioning the inequity of a system where most people drudge along, paying heavy taxes for which they get nothing in return. - Gore Vidal

From *ABATE* Page 11

This is certainly not meant to indicate that the Secretary is *required* to abate such assessments, as the statute merely grants him the authority to abate them (in contrast to Section 6213(b)(2)(A) which requires it). If the Secretary refuses to abate an erroneous or illegal assessment, such refusal should be reviewable by the Courts.

In conclusion, I believe IRC Section 6404(a)(3) reserves the right of "non-taxpayers" to file claims for abatement of Subtitle A and B taxes, although I am not suggesting that it is the only, or even the best, way to proceed in such cases (nor denying that it may be). However, I do not believe IRC Section 6213(b)(2)(A) is applicable to "non-taxpayers" and thus such section shouldn't be used as a basis for any claims for abatement, except in those cases which match the fact situation described in Part I.



An immense effect may be produced by small powers wisely and steadily directed.

- Noah Webster



VEHICLES TO CONVEY PATRIOTS TO YORKTOWN

Notice:

The IRS routinely drops investigations of individuals based on amount of potential revenue, effect on compliance, and other facts of their personal situation, and issues them Form 2358C letters, informing them that they are not liable for or required to pay a tax for a certain period. This does not mean that a person has found a silver bullet that will work in cases generally. It does indicate that the agency is NOT giving individuals equal protection under the law.

Upon receiving IRS mail members should FAX documents immediately to their S.A.P. caseworker or forward via FedEx overnight mail. Use one method or the other, but not both. You may confirm receipt by telephone.

The VEHICLES are divided into two categories: POWER OF ATTORNEY or INFORMATIONAL.

All VEHICLES used in our POWER OF ATTORNEY SERVICE, are laser printed for professional quality and you may order the SERVICE or an INFORMATIONAL VEHICLE by telephone from S.A.P. Headquarters M-F, 9 a.m. to 5 p.m. Eastern time (410) 857-4441. Please have all of the information needed readily at hand to minimize processing time.

Revocation/Rescission Affidavit

IMPORTANT this VEHICLE must precede all of the following VEHICLES which are used in conjunction with it.

[See RA May/June 1990 issue, pages 5-9, for an in-depth article about the AFFIDAVIT.]

S.A.P. provides this legal instrument

for every U.S. citizen and resident alien who has discovered the fact that there was NO legal requirement to file an income tax return and wants to revoke that and all other Internal Revenue Service documents ever filed (W-4, etc.) and rescind his/her signature(s) therefrom. The affidavit is an allegation of "constructive fraud" that confronts the presumption of liability head-on. According to Title 5, United States Code (USC): "Government Organization and Employees," Section 556(d), when jurisdiction is challenged the burden of proof reverts to the government agency, in this case, the IRS.

The AFFIDAVIT includes a paragraph with the proper wording to revoke the original Form SS-5 application for the Taxpayer Identification Number/Social Security Number, by rescinding your signature therefrom (see Reasonable Action, November/December 1989, page 10 for an article on the legal requirement to obtain this number). The retention of the TIN/SSN causes jurisdictional complications with both State and Federal taxing codes, i.e. Form W-4 entanglement for Patriots working for a wage. (Call for price/personalized).

First Follow Up Letter

This is the next step when a response is not received from the Secretary of the Treasury after 90 days, as requested in your cover letter accompanying your AFFIDAVIT. This gives him an additional 60 days to respond to you, and rebut the facts stated in your AFFIDAVIT. Send Certified Mail, Return Receipt Requested. (Call for price/personalized).

Final Follow Up Letter

This is the final step when there's

no response to your 60-day letter (above). It gives the Secretary an additional 30 days to respond. Advises him that his non-response to your AFFIDAVIT will be conclusive proof that he has no rebuttal to the facts. Mail as noted above. (Call for price/personalized).

26 CFR, SECTION 1.1441-5

"Claiming to be a person not subject to withholding."

This is a statement of citizenship (or residency, if you are a permanent resident alien) which is to be used in place of a Form W-4 Employees Withholding Allowance Certificate to claim to be a person not subject to withholding.

This statement, drafted according to the above-noted federal regulation, is given to an employee's withholding agent (chief of payroll, etc.) This VEHICLE comes with instructions, copy of IRS Publication 515 page 2, copy of 26 CFR section 1.1441-5, and sample letter of transmittal for the company to retype on their stationery or corporate letterhead (call for price/personalized).



ALL IRS MAIL
MUST BE
ANSWERED!

If no response is sent, then under the law of presumption, any allegation contained therein is considered to be correct!

Note: If you have given Power of Attorney, you will want to consult your caseworker before initiating any correspondence on your own.



Reasonable Action



Liberty



Justice



VOLUME XV, No. 2

The Membership Newsletter of the Save-A-Patriot Fellowship

Issue #238 1999

ONE OF THE IRS'S OWN AGENTS "GOES OVER THE WALL!"

The recent story of Joseph R. Banister, Former Special Agent of the IRS, may be one of the most important breakthroughs in the effort to discover the truth about the IRS and USC Title 26.

Mr. Banister's credentials are impeccable and command the utmost respect. He is certainly no one the government can arbitrarily label an "illegal tax protester" or "anti-government whacko" with their usual cavalier attitude towards anyone who dares question what the IRS is doing. Joseph R. Banister graduated in 1986 from San Jose State Univ. with a Bachelor's Degree in Accounting. He spent three years at KPMG Peat Marwick on their professional staff as a senior tax specialist and staff auditor. He then spent nearly two years in the venture capital industry, during which time he became a licensed Certified Public Accountant (CPA) in the State of California. Mr. Banister left public practice as a CPA in 1993 when he accepted an appointment as a Special Agent (criminal investigator) in the Department of the Treasury, IRS Criminal Investigation Division (IRS-CID).

In essence, Mr. Banister, while an employee of the IRS, made a concerted effort to find a law that requires most Americans to file and pay income

taxes. His research consumed him for more than two years and thousands of hours, and his conclusions and their aftermath are nothing less than astounding. Unable to resolve conflicts between the way the IRS administered the Federal Income Tax and Mr. Banister's oath of office, he resigned from IRS-CID on February 25, 1999.

What follows is a brief account of his experiences in his own words:

On February 11, 1999, in my capacity as a Special Agent [United States Treasury Department, Criminal Investigation Division] and federal law enforcement officer sworn to support and defend the Constitution of the United States, I submitted a "preliminary report" to the Chief of the IRS Criminal Investigation Division for the Central California District. My report summarized my findings regarding allegations that the income tax and filing of federal income tax returns is voluntary, that the 16th Amendment was never ratified, and that income taxes are not used to pay for daily government operations.

In order to ensure that unnecessary and warranted delay would not occur, I requested that my report be forwarded to top officials in the IRS up to and including the Commissioner Charles O. Rossotti, and I respectfully requested that the

Commissioner or his designee respond to the evidence in my report within 30 days. Today, my Chief called me into his office and gave me a memorandum. The memorandum dated February 17, 1999, read in part:

"The Internal Revenue Service will not be responding to your request and will provide you with the necessary paperwork to tender your resignation. You will be placed on administrative leave effective upon receipt of this memorandum for a period of seven calendar days to consider what actions you wish to take."

I was told that officials at the highest levels of the Internal Revenue Service were consulted regarding a response to my report. Apparently, I have now joined the ranks of every other taxpayer who ever was ignored or otherwise rebuffed by the Internal Revenue Service when they petitioned the IRS for a reasonable explanation. The only conclusion that I can reach is that those officials thought it was better to rebuff my request and pass up a golden opportunity to prove my research wrong than to have to admit that so-called "tax protesters" and other supporters of the U.S. Government were right along. I am not alone. I am not the only one who has spent time to perform

Exhibit 6D



**STATEMENT OF PURPOSE
FOR THE
SAVE-A-PATRIOT FELLOWSHIP**

The S.A.P. Fellowship is a 1st amendment association dedicated to seeing that IRS and other government personnel obey the law. Our association recognizes the necessity of taxation (raising of revenues) but we also recognize that this necessity has provisions in the law, and that the government, in meeting its exigencies, may not extend its activities beyond the law.

The Fellowship actively promotes the study of the law and the assertion of one's rights in accordance with the law. It does not "protest" or "object" to any tax, income or otherwise, and is NOT a "tax protest" organization. However, Fellowship members believe that many Internal Revenue Service (IRS) employees routinely misapply and illegally enforce the provisions of the law and that the public must find a way to hold them within the law. To that end the Fellowship educates the public, shows in its publications what the law actually says, and attempts to clarify the limitations of various tax laws as was intended by Congress. The Fellowship does not advocate or condone unlawful resistance, protest, or other like actions.

However, as law abiding citizens we will not tolerate illegal threats, intimidation or acts of violence by government employees who exceed their authority under the law. The Fellowship has researched and developed legal defenses to help prevent this and to protect our Liberty and Property.

The Fellowship believes that this has become necessary because too many government bureaucrats have been relying on unlawful and un-American tactics such as fear and intimidation to keep the public "in line" in order to perpetuate their own private agendas. They have and continue to use the news media to plant stories suggesting that resistance is useless and reprisal is swift and financially painful. These "reminders" and a lifetime of conditioning make it difficult for most people to assert their rights. However, S.A.P. Fellowship members have joined together to help remove the risk by pledging to assist one another!

To our knowledge, there is no insurance company willing to buck the system and insure Patriots against criminal acts of government agencies or their employees. Creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submission to the dictates of the Insurance Commission. In no time at all, we would have been expending funds fighting legal actions just trying to survive. It would have also been necessary to protect such funds from the searching eyes of the IRS and other government agencies.

There was only one totally logical answer:

a FELLOWSHIP that gives the Patriot insurance-like protection, hence to Save-A-Patriot!



HOW DOES IT WORK?

Simply put, Fellowship members pledge to reimburse other members for losses of cash or property incurred by illegal confiscations. This is done by spreading the reimbursement costs to all members. For example, suppose that after a valiant and stubborn struggle through the phases of the legal maze, a member were to lose his vehicle to an illegal seizure. Let's value the vehicle at 9,000 Federal Reserve Notes (commonly called "dollars"). If there are 10,000 members participating in the Fellowship, S.A.P. would verify the loss and apportion the liability at a rate of .90 cents per member. PRESTO! Mr. or Ms. Member Patriot suffers NO loss and his friends' fear of possible IRS retaliation is gone! Real-life examples such as this have convinced "closet" Patriots to join the S.A.P. Fellowship in droves! Welcome to the Constitutional Revivalist Movement!

The surest and safest protection of funds is to keep them in the hands of the members. The only money to be sent to S.A.P. Headquarters is the annual 70 FRNs membership participation fee. This is tendered in FRNs (cash) or a totally blank Postal Money Order (cash can be sent by certified mail). S.A.P. maintains no bank account, so checks or money orders made out to "S.A.P." can't be endorsed and cashed. The membership fee is used for the administrative needs of S.A.P. — staff, rent, phone, printing, postage, etc. After verification by Headquarters of losses to claimant member, an apportionment is sent out to the membership; you send payments DIRECTLY to the claimant (or their beneficiary)! S.A.P. merely verifies that all members have met their assessment obligations by a simple procedure.

Payment For Incarceration. There are still occurrences when a Patriot is criminally tried, convicted and jailed. This is the most difficult financial burden to individually shoulder. Therefore, it is the stated policy of the Fellowship to assess for the beneficiary of each incarcerated Patriot 25,000 FRNs per calendar year, during the period of actual incarceration. To the best of our knowledge, there have never been more than 30 Patriots in jail after conviction at any one time. At this rate, and assuming that all were covered S.A.P. Fellowship members, this protection would cost 10,000 members 75 FRNs for all those jailed. If there are 80,000 members participating, it would only be 9.38 FRNs each for all 30 beneficiaries!

The figure of "80,000" is in line with a 1984 federal estimate of the number of participants within the so-called Tax Patriot segment of the Constitutional Revivalist Movement. Using this figure as our goal for total

Fellowship participation, we could increase the incarceration payoff amount to 100,000 FRNs each per calendar year and it would only cost each member 37.50 FRNs to support the 30 jailed members! With this kind of hard-cash protection, Americans will not only lose their fear of the IRS, but will almost be standing in line to go to jail!!! Even IRS agents could not resist such an offer!

In other words, remove the financial threat to the average American individual citizen, and the IRS's house of cards will collapse! —

AND LIBERTY WILL ABOUND!!



**REASONABLE ACTION
NEWSLETTER**

The RA is the Fellowship's tool of Education. It is available only to Fellowship members by paid subscription, at 35 FRNs per year for six (6) issues. (Check back pages of this issue for a subscription coupon.) You are holding in your hands one of the most highly respected Patriot publications in the country. It is the culmination of over twenty years of blood, sweat and tears of thousands of named and unnamed Americans. The articles appearing on these pages represent the state-of-the-art in legal understanding of the United States system of income taxation. You will not find any groundless "far-out" theories. You will find thoughtful, provocative articles, discussions and opinions that are grounded in fact and logic. The editors strive to ensure the accuracy of all the presented writings, insisting that the authors give attributions so the reader may verify the accuracy himself. As a matter of principle, we recommend that as each article is read, a copy of the Internal Revenue Code be close at hand. Education is the key to throwing off the (imaginary) chains of IRS bondage!

REMEMBER—

AN IGNORANT PUBLIC
IS THE IRS'S BEST FRIEND . . .
AN EDUCATED CITIZEN
IS THE IRS'S WORST NIGHTMARE!!!



**ALL IRS MAIL
MUST BE ANSWERED!**

If no response is sent, then under the law of presumption, any allegation contained therein is considered to be correct!

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laws. Elected officials and government employees at all levels of government are also bound by and should be expected to obey certain laws. As long as Sheriff Mattis is the high-sheriff of Big Horn County, he seems determined to make sure private citizens and government officials alike act within the law and their designated powers. Sheriff Mattis came across as a soft-spoken, polite man whose only interest is protecting the citizens he was elected to serve. That being the case, he might be the sheriff for as long as he wants to be. Sheriff Mattis is hopeful that other sheriffs will assume the same stance.

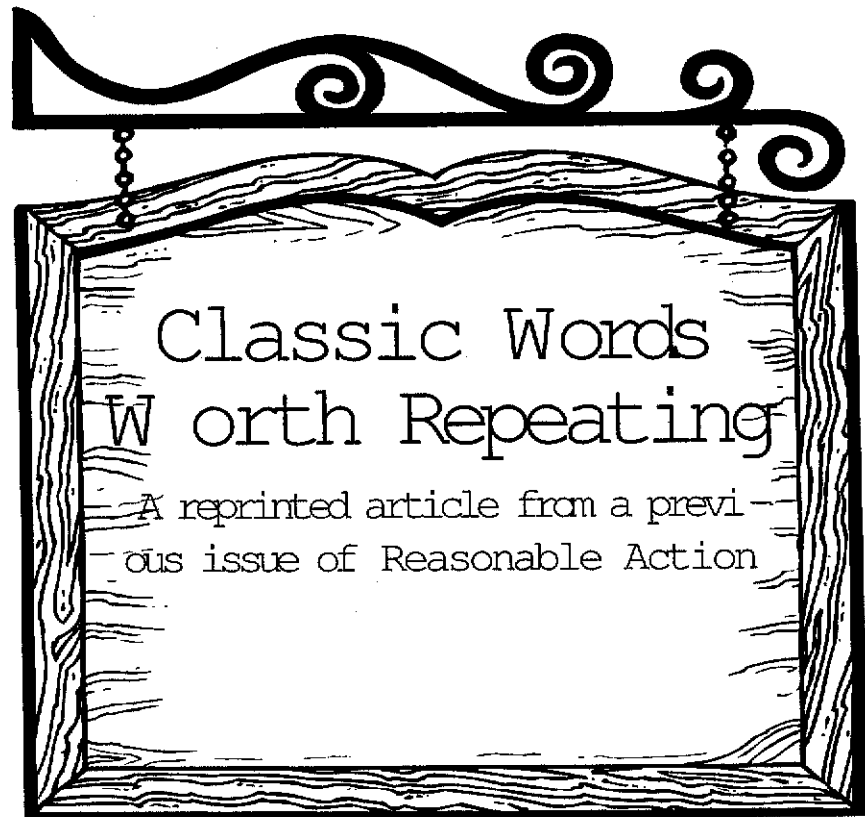
Reasonable Action agrees.

An interesting experiment for all Patriots would be to research their particular States' constitutions to ensure that, in regard to the powers of the County Sheriff, they are in accord with Wyoming's. If so, all Patriots should contact their local high-sheriffs with a copy of this article, and ask them if they agree or disagree with the position of Sheriff Mattis.

This is only the first step, of course, in alerting and educating our County Sheriffs to truly understand what is happening to the citizens they are sworn to protect. It is common practice for IRS agents to show up at the local Sheriff's Office and present standard, non-constitutional IRS documents which purport that a citizen "owes" something to the Treasury, and that it must now be taken without due process of law,

The most amazing part of the seizure process is this: IRS agents do not usually do the actual seizing of property—they "instruct" the local Sheriffs to do it for them!

By now, such tactics should not surprise us, but we need to protect ourselves by making our Sheriffs aware of this obvious trashing of our constitutional rights. Please write to *Reasonable Action* and tell us the results of your own county "Sheriff Education Program." This is a very important part of the process to protect ourselves!



YOU CAN STILL BE FREE . . .
IF . . .
YOU WANT TO BE!

SOCIAL SECURITY AND THE INCOME TAX

This the first in our continuing series of "R/A Classics." Starting with this issue, REASONABLE ACTION will be reprinting articles from previous issues which we believe have timeless value—in terms of information and education. We will reprint classics for newer members who did not have the opportunity to discover the information when it first appeared.

The income tax is not the only form of social control that is strangling the nation's freedom. If indeed the income tax is to be done away with, the battleground of the future will concentrate in the area of information management systems that infringe on rights to privacy.

It should come as no surprise that there are many large computer databases maintaining records on almost everyone. Some are maintained by the government and some by pri-

vate business; but each system of records depends on the assignment of a number to individuals within the database. Such assignments have one purpose: They facilitate a positive identification of the individual who is the bearer of the number. With rare exception, the numerical common denominator between all of these systems of records—both government and non-government—is the social security number.

A numerical assignment such as this has two advantages in a computer program. First, it prevents "duplicate" records from occurring within the system of records; and second, it allows for the efficient searching of records within a database so that the program can rapidly locate and distinguish one individual from all of the others. So why not use an individual's name? The answer should be obvious. Since two or more people can have the same name, positive identification would be impossible. Just look in your local phone directory and see how many John Smiths are listed, but assign a number to each of those John Smiths, a unique number that has no other duplicate, and the correct John Smith can be instantly discerned from amongst the crowd. Computer programmers sometimes refer to such numbers as "unique keys" because they prevent duplicate entries from being made into the system of records. The accurate retrieval of information depends upon these numerical identifiers and their unique nature permits the program to reliably distinguish one "John Smith" from another. If one "John Smith" moves from New York to San Francisco, the key number which identifies that particular Smith, allows the information management system to keep track of him.

EFFICIENCY OR CONSPIRACY?

If all of this sounds ominous . . . it isn't. Computers make life easier, and computer records facilitate an efficient business environment that reduces costs, increases profit, and in general

makes life more affordable. There is nothing intrinsically wrong with either efficiency or numerical identification. What is ominous is the common denominator on which these systems of records depend. . . the social security number. While the number itself is not evil—it's intended purpose—to positively identify everyone—has the potential for establishing a method of control far greater than the income tax or a value added tax could ever achieve.

In fact, that 9-digit number has become the greatest single threat to our individual sovereignty today. Its mass acceptance by an increasingly apathetic and uneducated nation makes possible an economic system where cash is obsolete and a "new order" imminent. More than a few people have recognized that anyone who is unwilling or unable to interface with a cashless system will find it rather difficult to buy or sell! All other forms of social control are dwarfed by this capability. So how far has this information management system advanced? What kind of information does the government maintain on citizens who possess the social security number identifier; and, who has charge over this information?

Some believe that the IRS is, or will become, the repositior of this power. One thing is certain, the IRS does possess a great deal of information on almost everyone and knows how to impose its authority (real or imaginary). One page from the Internal Revenue Manual which graphically demonstrates how extensive this computer information system is, and how it might be used to control or manipulate people, shows a numerical "key" which will positively identify the individuals within the system of records—implication obvious. It's current capabilities even include information on your groceries, car and rent! Of course, that is assuming that you have a social security number.

THE MISSING LINK

If you never applied for the benefit, and thus the number that is associ-

ated with the account for retaining it, then there are no provisions for maintaining that information! All of the data is keyed to, and accessible only through, a uniform method of identification. . . the social security number. Without that numerical identifier, the system simply cannot function. The social security number is the "key" to this "system," and as long as people want the benefit and are willing to use that number, the system will flourish and expand.

But what do you think would happen if people began revoking their applications to "obtain or retain a benefit" from the social security entitlement program, and then stopped using the number?

Simple. . . the entire house of cards would crumble, and the method of control could not serve its intended purpose! Many people are becoming aware of this entanglement. They realize that real freedom exists for those who never applied for the number. Some have taken the first step and refused to obtain the number for their children. Still others have revoked the application for the number and opted not to retain the "benefit." One S.A.P. member revoked the application and actually went so far as to send her social security entitlement check back to the government. To this Patriot, her freedom was more important than the money! With more dedicated, principled Americans like her, the machinery presently being set in place to create a new order would fail and come crashing down around the heads of the globalists who are engineering it.

BATTLE LINES ARE DRAWN

What you might be surprised to learn is that this movement is well under way. Results have been predictable. Public response, for example, to the so-called requirement for obtaining a social security number prior to drivers license renewal is a prime example of an issue where the battle lines have already been drawn. For clarification to new readers, there really was (in most states) no requirement

to "obtain" a social security number to apply for a drivers license—only an illusion (intentional or not) created for the benefit of the average person.

The law does require those who have a number to submit it; but, individuals who do NOT have a social security number are under no obligation to obtain one. According to the Director of the Maryland Department of Motor Vehicles (DMV) for example, individuals without a number merely write "NONE" in the space provided—but the government was not honest with the people, nor was the media who blindly parroted what they were told without verifying the information. Unfortunately, people without a number were led to believe that they must get one. In Maryland, DMV officials who knew there was no requirement routinely lied to applicants. The government and the media (intentionally or not) did an excellent job of spreading this misinformation.

Was this part of a vast conspiracy? Possibly—but more than likely it resulted from the mass mind-set of the nation and widespread ignorance concerning the danger of such a system. More plausible is the likelihood that at different levels of government, to some varying degree, there were a few well connected individuals involved in a strategy to further the private agenda of the globalists. These individuals were in a position to use their influence to implement "policy," and that trickled down into a state level process which effectively "encouraged" people to obtain the number.

The entire process was more tenuous than one might think, and therein lies the key to restoring liberty. Once people realize that the architects are few in number, and that they cannot possibly hope to retain control of an educated public willing to assert their rights, then it's all over for global government. An increasing number of people realize the implications of participation and do not wish to voluntarily cooperate in the systematic dismantling of their form of government or the liberty that their fathers have enjoyed. Growing in number, these

groups of people are asserting their rights, refusing to volunteer, and creating a major problem for planners of global government.

We understand that the States of Pennsylvania, Maryland, Indiana, and Tennessee (among others) have already backed down on the so called requirement to obtain a social security number for drivers license renewals. More are on the way, and as the number of people willing to assert their rights continues to increase, the government is forced to capitulate on other (globalist) policies that have no provision in U.S. law.

WHO'S WHO IN THE GLOBAL POLITICS OF POWER AND CONTROL

Every U.S. president this century has worked towards globalism. The acts of some presidents have been incidental, while the acts of others have been in the extreme. Either way, these acts blatantly violate the oath of office to which the president is bound. Several have performed outstanding disservice to their country and deserve special recognition for their actions.

Most notable was perhaps President Woodrow Wilson. He was instrumental in assisting those who resurrected the Aldrich Bill, and turned it into the "Federal Reserve Act" which was later jammed down the throats of the people. By controlling the money supply, Wilson's backers, (the progenitors of the Federal Reserve system) were effectively able to peddle influence and enact legislation to suppress free enterprise. This action centralized economic and political functions in the hands of their representatives. The nation has suffered untold social and economic damage ever since; but, Wilson was by no means alone in these endeavors.

Roosevelt also played an important part in moving the globalist's agenda forward and his socialist background is well documented. Roosevelt's most destructive contribution to world government took the form of a "New Deal." Of course,

insiders familiar with its intended purpose saw it for the "Raw Deal" that it was since it had the effect of reversing the "presumption" of government jurisdiction. Such presumptions are, at least in terms of freedom, tantamount to making a man "guilty until proven innocent." How was this possible in a free society?

HOW TO INSTALL A SOCIALIST GOVERNMENT WITHOUT VIOLATING THE CONSTITUTION

Up until that time, it was "presumed" that an individual was NOT "the subject of" any given body of law, and thus, NOT subject to the jurisdiction of the agency of government charged with the duty and responsible of administering it. To exercise authority over any given citizen, an agency of government would be required by law to prove (in Court) that a provision of law existed which would give the agency the jurisdiction to proceed.

In other words—the burden of proof for the existence of a lawful requirement, and thus jurisdiction with respect to any given body of law, was on the shoulders of the government. That was—and still is—the "essence" of freedom! Unfortunately, the "New Deal" brought with it a change of venue. Rather than a "presumption" in favor of the citizen, requiring the government to positively establish the existence of a "lawful requirement," the burden of proof would now be shifted to the individual who must show that the government does not have jurisdiction with respect to any given body of law.

One should immediately realize the implication of shifting the burden of proof. But what is not readily apparent, are the complications involving the nature of the proof itself. Think about it—if something exists (like a law). . . you can just present that law and you've proven your contention. If it does NOT exist, there is nothing to point out. Complex corollaries and other abstract methodology must be employed to "prove" a negative.

It is easy to see how the reversing of the burden of proof for jurisdiction affected our freedom. The "New Deal" changed the presumption that we were free of any lawful requirements that might otherwise, for example, be voluntary. Where before, we had NOT been the subject of the law, we were now "presumed" to be the subject of the law until such time as we challenged that "presumption".

All that remained to marry this new found power with social objectives, was to create a method whereby any agency of government could gain instant information on individuals over which it now "presumed" to have authority. Then it could utilize that information in a manner which would "encourage voluntary compliance" and more effectively integrate the U.S. into the new emerging social order.

TECHNOLOGY AND FREEDOM

Technologically, the government did not have a fast, efficient way to maintain, recall, or utilize the information on citizens over which it now "presumed" certain jurisdiction. This inability to manage information may well have been the nation's last vestige of unasserted freedom—a small setback for the architects of the new paradigm considering the speed at which technology was progressing.

The die was cast however, and the mechanics of the process used the additional time to solidify the necessary "voluntary" participation by creating "perceived needs. They then perpetuated their agenda in the face of opposition by "exchanging favors"—i.e. the purchase of votes in exchange for entitlement benefits in the new "voluntary" social programs that were the key to various "presumptions" and "jurisdiction(s).

These programs were designed to touch the lives of almost every American, and today, over 50% of the general public receives some form of government assistance. Is it any wonder that the "vote" of the people has

been bought—is it any wonder that the nation has come to "expect" a government dole? In any other industry the selling of such intangibles might be called "futures," and with regard to liberty, very risky considering the loss of freedom which accompanies the sale.

For the planners of global government, the programs and promises would certainly suffice until such time as it was feasible to tighten controls and implement a cashless environment. All financial transactions would then depend on the number and absolute control of the economic environment would finally be possible. It was at least the beginning of a long multifaceted agenda that was theoretically possible, stymied only by the absence of high speed computers capable of maintaining and managing the information, and by the absence of the numerical identification of the population.

Because of this technology gap, Americans were able to hang on to their illusion of freedom a little longer. Even without the capability of instant information transfers and the control that it could establish, these programs would still serve as the basis of "jurisdiction," foment demand for service, and promote the acceptance of world government to ensure security for all. The entire process would be brought about through the synthesis of economic and social situations, without which, there could be no effective implementation. However, government funded technology was racing along, and preparations were being made to lay the foundation for such a system. All that remained was to assign numbers to everyone.

There was only one stumbling block to face within the United States. The success of the new social order would depend on the "voluntary compliance" previously mentioned. Why? Because under the law, (limitations imposed by the Constitution), participation could not be required. It wouldn't have to be. Given a change in the "presumption" of jurisdiction and sufficient time, the people would never know—but their acceptance of this voluntary scheme would depend on

such aspects as "deception" (making people think that it is required), "incentive" (what people will get in return for participation), and a "presumed" jurisdiction (Roosevelt's contribution) to enforce compliance.

Offer the people a "New Deal," one they can't refuse, (entitlements) and public acceptance is in the bag.

A DEAL YOU CAN'T REFUSE

What person in their right mind wouldn't accept a free lunch—and such a deal . . . how could you refuse?—But just in case you do, we'll give you some added financial incentives! We'll put the squeeze on your budget. When there's not enough money to go around and you can't get a job—then you'll see things our way. Since the money supply was under the control of the social engineers (thanks to Wilson), it was a very simple matter to constrict. As with any shortage, people become desperate; and, desperate people are willing to do almost anything to alleviate their discomfort.

Not too many years ago there was a shortage of gasoline and long lines at the pump. The resulting mayhem was similar to the behavior that one might witness at the local zoo. The effect of putting someone in that position and then dangling a free lunch should be obvious. The ultimate contrived financial crunch of 1929 ensured that there was sufficient incentive to accept the scheme and by the time it was introduced in 1934, the trap for an unsuspecting public would be sprung.

Historically, it worked so well that a goodly portion of the people couldn't afford NOT to participate. There was little or no public opposition and certainly no media coverage concerning the nature of the jurisdictional entanglements. The government officials who introduced the program became heroes in the eyes of an ignorant public who never once realized that their inheritance was being sold in return for a promise. Freedom became even more of an illusion as volunteer participants flocked to the government to seek it's

grace and benevolence. Those who promised continuance of the programs were assured re-election and the rest is history.

WHERE IS OUR FREEDOM NOW?

What happened to our freedom? Does it still exist? Yes—but it must be aggressively exercised. The supreme Court has held that “your rights will NOT be passively protected” and that if you want them, you must “aggressively assert them.”

Yes, we are still free, but that freedom depends on the degree to which we are willing to assert our rights; and, to be totally free, we must resolve to dissolve the link whereby the government can maintain information on the citizens over which it “presumes” jurisdiction. As long as that link persists, enforcement of “perceived” requirements is possible and likely to occur. Moreover, it is even more likely to occur when you consider that many of the personnel who administer the programs have come to accept the notion that there is a legal requirement and do not realize that it is voluntary. These government employees rarely understand our form of government or the limitations on such requirements in respect to the Constitution. With that in mind we now examine the logical basis of that “perceived requirement” and the link that it establishes to a presumption of jurisdiction.

ENFORCEMENT OR VOLUNTARY PARTICIPATION?

If you are free and you have a “right to property”, you cannot be “required by law” to take care of your neighbor, unless of course, you voluntarily contract with that neighbor for the mutual support of one another. The terms of the contract might include financial hardship which would require “old age benefits,” or, “aid to dependent children, etc.” or, whatever other terms of the contract you agree to. A person could participate by mak-

ing application—but a “free” person in a “free” country could not be forced by law to participate.

There certainly is a moral imperative to assist our fellow man in time of need, but such ethical considerations must be limited to specific times and circumstances and dependent upon the willingness of the individual choosing to exercise charity. Such moral obligations are dependent upon factors which can only be assessed by the person who is in a position to give or make donations. Yes, a person may have a moral duty to be charitable, however that obligation does not extend to putting his or her hand into the pocket of some other person to exercise his own charity. That would be theft—certainly hypocrisy!

Yet social programs administered by the government are just that. Charity must begin and end with your own pocket. Otherwise it is not charity at all, and there certainly can be no freedom or right to property if participation is forced by government. Indeed, that is why participation is NOT required, and why there is NO constitutional authority for the government to play the charity game. When it does, it violates the constitution and the natural, inalienable rights to property, given by God. If someone chooses to participate voluntarily in such an arrangement, and applies for such benefits, then it does NOT violate the Constitution—but while voluntary participation solves the legal problem, how do you enforce (encourage as the case may be) something that is voluntary? You can’t—unless it is tied in some fashion to a legitimate legal requirement for which jurisdiction exists and whose similar but limited application is constitutional.

So thickens the plot. A body of law that could be systematically misapplied (assuming that it was intentional) would fill the bill nicely; and, the agency of government responsible for administering its provisions (the IRS?) could, with its “broad sweeping powers”, encourage the highest level of “voluntary compliance!” If that expression sounds familiar, consider

this . . . employment taxes fall within the confines of Subtitle C. They are voluntarily deducted from payments made to the employee who has voluntarily chosen to participate (by application) and expects to build credit towards his or her social security entitlement. The IRS has the jurisdiction to administer the provisions of such withholding!

LEGAL QUICK SAND

Now consider the following facts:

1) The Internal Revenue Code does NOT apply to U.S. citizens who are living and working within the 50 states who are not involved in certain occupations (like alcohol, tobacco and firearms) or acting as fiduciaries of nonresident aliens; and,

2) The IRS does NOT have jurisdiction over those who are NOT the subject of the law; but,

3) It is also a fact that the person who has “voluntarily applied” for the privilege of participating in and receiving social security entitlements, agrees to the terms of participation; and that,

4) The terms of participation require “an accounting” for deductions that the agency (IRS) administers; Therefore, in so doing . . .

5) Those who have voluntarily chosen to participate have voluntarily subjected themselves to the jurisdiction of the agency that administers its provisions (the IRS).

If you have a social security number then the IRS DOES have the jurisdiction and authority to maintain records on you in order to administer provisions of law regarding your voluntary participation in social security and may act (correctly or not) on presumptions with regard to those records. Even though the law does not impose participation, jurisdiction is established by virtue of an application to participate. But wait—you say that you did

not apply—that it was your parents who applied for the number on your behalf, or that you applied for the number believing that it was required, and that you are therefore NOT participating voluntarily? Is there jurisdiction?

The questions are entirely irrelevant. The very fact that someone possesses and uses (or has used) the number, is reason enough to “presume” that someone has knowingly and voluntarily contracted to participate in the program. Voluntary participation involves the “jurisdiction” of the agency of government responsible for administering whatever portions of the terms of the agreement are involved (i.e. deductions to build credit toward entitlement). What agency of government has that jurisdiction?—The IRS! Do you want to participate and receive an entitlement? (presumably so—if you have the number) Then you must want deductions to be made from your paycheck! (presumably so—if you have the number) Are you under the jurisdiction of the IRS? (presumably so—if you have the number). Ever wonder why the social security administration will not expunge a person’s number, even after a notice of revocation of application has been received? The government does not want to give up its presumption of jurisdiction without a fight.

SOME SPECIFICS

Who can make deductions from your paycheck, and who can have deductions made? Only “employer(s)” and “employee(s)” who are under the jurisdiction of, and have the relationship described for purpose of chapter 24 of the Internal Revenue Code. The relationship is contractually significant when the “employee” with a social security number submits a W-4 to the “employer.” Under that circumstance, and that circumstance only, an employer has the “authority” to withhold—not necessarily a legal requirement (by law) to withhold—but an “authority” to withhold—granted not by the law itself—but by the permission of the employee who wishes to enter into the

“relationship” mentioned in section 3402.

The requirement to withhold belongs to the employer—if—he has chosen to participate and receives a W-4 from his employee, but it is the employee who makes the final determination by submitting the W-4. To do so is to create an implied legal obligation (a presumption). The tax associated with the requirement (that is used as the basis for building credits toward entitlement) is then collected from those who choose to voluntarily participate. Provisions for such withholding (even from volunteers) do exist, but they are limited in application as far as actual “requirements” so the question becomes: Who are the required participants?; and, are the voluntary participants subjecting themselves to the same legal requirements as the required participants? More important, do the voluntary participants have “taxable income?” If required participation is limited to nonresident aliens, do U.S. citizens subject themselves to any of the legal requirements imposed on the nonresident alien?

The answer is a little oblique. No, of course not—at least not under the law itself—but everything is based on presumption; and when there is a systematic effort to “encourage voluntary compliance” the presumption that a volunteer is a “required participant” is all that is necessary.

Why? Because the legal requirements of the mandatory participant are taken on by the volunteer who may be “presumed” to be a mandatory participant who is under the law and thus any legal requirements that it might impose. The volunteer faces any misapplication that may, for whatever reason, intentional or unintentional, be perpetuated by the process.

UP TO THE NECK IN QUICK SAND

Nonresident aliens are the only people required to obtain the social security number in order to work in the United States, and thus, they are the only ones required to participate. But

nonresident aliens are also the subject of the income tax. Whoops! The amount of withholding (30%) is geared to those who are the subject of the income tax laws. Since the law is mandatory for those to whom it applies, it could be “presumed” that a participant is “required by law” to participate, and thus the full brunt of withholding is born by those volunteering.

Does this then mean that someone who chooses to volunteer, subjects himself to the same requirement for a “deduction of income tax” that would be required of all nonresident aliens under Subtitle A? No—not necessarily—but again it’s irrelevant because the nature of the problem involves a misapplication which has no provision in law to begin with. To errantly and illegally enforce any given provision, the presumption is all that matters.

Section 1441 requires certain deductions from payments made to nonresident aliens. So what are the implications for the U.S. citizen who is NOT a withholding agent, and only a “voluntary participant” for purpose of Subtitle C and social security? Is the citizen eligible for a refund? Perhaps—but what provisions exist for such refunds? Anyone who is eligible for a refund may file a return to claim the amount overpaid, but the amount is still dependent upon the various criteria that would apply to those who are required to file returns, and contingent upon the filing of the return that the “taxpayer” is required to file.

Who is the taxpayer required to file?—the withholding agent! Section 1461 is his liability and it is the only liability in Subtitle A. Therefore, if a return is filed and it is known or otherwise obvious that the filer is a U.S. citizen, is there cause for a “presumption” that he is making payments to nonresident aliens? Indeed, the filing of a return can only substantiate the “presumption” that the filer is a “taxpayer” who has a liability arising from statute.

If the only liability arising from statute is section 1461 (for the withholding agent making payments to nonresident aliens), then the only plau-

sible "presumption" that one might arrive at, is that the U.S. citizen is filing a 1040 return on behalf of his non-resident alien principle.

Treasury Decision 2313 (TD 2313) confirms the requirement for a withholding agent to file a 1040 return on behalf of his nonresident alien principle. There are few other "presumptive" alternatives. For further confirmation of this logic examine the form letter sent to most nonfilers. A U.S. citizen living and working within the 50 states, (who has been filing returns) but suddenly stops filing, will usually receive a form letter 8176 from the IRS. The IRS regulations and publications identify this form as a request for backup withholding from a "withholding agent" who has not filed the appropriate return.

The entire process is fundamentally illogical but it results from ignorance on the part of those who file, and a lack of education on the part of those who administer filing requirements—and it is perpetuated at the highest levels of the IRS by those who have no moral inclination to "passively protect" the rights of citizens. If you wish to protect your rights then you must "aggressively assert them."

Does a social security number "make you liable?" No—but it does establish the link wherein a "presumption" may be pursued, and allows for an entry to be made into a system of records that facilitates pursuit. If the general public knew this, and understood that the application of the tax laws was limited, do you think they would want the number?

BLIND MICE—SEE HOW THEY RUN?

There are none so blind as those who will not see. Human nature hides from view that which we fear. Old age, incapacity, or any "unknown" is fearful but in the mind of the public, social security reduces the element of fear. It provides old age and disability benefits. Who wouldn't want social security? Conceptually, the program is not unlike insurance (hence the deceptive

title). If everyone puts just a little in, then everyone benefits a lot, given that the unforeseen rears its ugly head—right?

To the average person that sounds perfectly logical. Everyone runs to get the social security card. Now they have a secure retirement! Now they are protected in case of disaster. If it benefits everyone, then it must be for "the general welfare"—right? If it's for the general welfare of the people then it must be constitutional—right?

These incorrect beliefs, are not only wrong, they are irrelevant. Since voluntary participation does not require Constitutional authority, it is not necessary for them to benefit everyone, nor is it necessary to promote the general welfare. In fact they do not, but over the years people have forgotten that it is voluntary. Through a natural progression of events, the social security number became the identification number of choice. The IRS started using it to identify non-business "taxpayers" who were not the subject of the law. Gradually people were led to believe (intentionally or not) that it was required for identification. It must be required, everyone asks me for it! The illusion eventually cemented itself deep in the mind set of the nation—rationalized within the framework of a need to promote an efficient and highly organized society.

It was not unplanned. To ensure public acceptance, society began to suffer the result of increased economic and social controls brought on by globalist manipulation of the federal reserve and people began to turn from a concept of freedom and personal responsibility, to a concept that demands (because of necessity) increased controls, to stem the rising tide of social problems that plague a financially oppressed people.

Slowly people were led to believe that this number holds the key to security and that without it, the fabric of society would be irreparably damaged. They mindlessly accepted what they were told. Slowly employers and businesses were led to believe that they needed a number too, and then every-

one rushed to "obtain or retain" the benefit, or participate in what they thought was required. If you want to build credits for your "protection" you must participate. To build credits you must subject yourself to the requirements associated with the wage tax (that is not imposed by law) but which subjects you to the jurisdiction of the agency that administers it.

To accomplish this, fill out a W-4 Form. Make sure you put your number on the form or you will not receive the "protection" you desire. Do you want a refund for the amount you overpaid—just file a return. Who files a return?—presumably, those who are required by law to file a return. Oh what a tangled web we weave. . . .

THE EMPLOYER COOPERATES

The common law employer has no legal requirement or obligation to participate. Existing provisions are limited to "government agencies" or "corporations" (a creation of government) that are operating in the insular island possessions (Guam, American Samoa, Puerto Rico, etc.) and outside of Constitutional purview.

The employer can volunteer however. Even though the law does not require his participation, he can apply for a number. If the employer is not required by law to obtain a federal ID number to manage the account whereby moneys are withheld from nonresident aliens and other foreign entities (sections 1441, 1442, and 1443 of the IR Code) then he can make application for approval so that a number can be assigned to create an account for his "voluntary compliance."

Regardless of the method, once entering into this relationship via application, the voluntary participants become "employer" and "employee" as defined for purpose of Subtitle C. The employee is then a "covered employee" as defined within, however we would point out that a much simpler, more readable version of the same definition is listed within Title 20 (Education).

Now, why are these terms defined within Title 20 when the same definition, embellished as it were by complex and confusing text, is found within Title 26 (Internal Revenue Code). Hmmm. . . .

In fact, if it pertains to chapters 21 through 25 of the IRC (otherwise known as Subtitle C), then why is it in Title 20 at all? Is this not odd? Like the magician who performs his sleight of hand in plain view for all to see, the writers of the law seem to place the definitions in plain sight, for anyone to see, but then distract our eyes with sleight of hand! So lets examine this sleight of hand.

THE STRUCTURE OF THE CODE

The Internal Revenue Code (IRC) is not applied generally. It is structured into subtitles. Subtitle A is income tax and its provisions are found in chapters 1 through 6. The application of the income tax is confined to those chapters and does not extend beyond. Just as the application of the income tax is confined within those chapters, the application of the other taxes in the IRC are found to be confined within their respective chapters in the same manner.

Moreover, the legal authority conferred in one subtitle does not extend to the enforcement of law in some other subtitle. For example, the authority to withhold under Subtitle C is found in section 3402 (keep in mind that Subtitle C is not imposed—it is voluntary!) The requirement to withhold under Subtitle A is found within section 1441, 1442, and 1443. The application of these sections and their requirements are unrelated. In 3402 the authority to withhold is predicated upon employee participation—In sections 1441, 1442, and 1443, the requirement to withhold is predicated upon a legal requirement (nonresident aliens, etc.). The legal requirements within Subtitle A are within the law. Voluntary compliance (under Subtitle C) is not under the law.

Oddly, the presence of Subtitle C

within the IR Code makes it an anomaly to the rest of the Code. If it's presence in the IR Code does anything at all, it serves to confer jurisdiction for those who apply for the number, and to lend merit to the overall illusion regarding requirements for the United States citizen. The Code must come under the Constitution in order to remain Constitutional, but Subtitle C cannot come under the Constitution. It doesn't fit within the law because socialism is not constitutional and that is why it is not imposed. It can only fit when it is made to fit, by those doing the fitting, and perhaps this is why the Internal Revenue Code was never passed into positive law.

In any case, one is reminded of Cinderella's sisters and the glass slipper. No matter how hard one looks for the imposition in Subtitle C, or the general provisions to administer it within Subtitle F, no one can find it. The IRS calls that "voluntary compliance" and the IRS is correct. It is significant to understand why the government uses the term "voluntary compliance."

Subtitle A (income tax) is imposed by law, and although limited in application, compliance is mandatory for those to whom it applies (nonresident aliens etc.). Subtitle C (employment taxes) however is NOT imposed, therefore compliance cannot be enforced. When the government through various IRS officials talk about "voluntary compliance," to what are they referring? Are they referring to their ongoing misapplication of law with regard to Subtitle A, or are they referring to mass participation under the un-imposed Subtitle C?

GOTCHA!

In examining the basis of illegal enforcement we find a tenuous but presumptive relationship between the two subtitles. The subject of legal actions against non-taxpayers stems from the belief that everyone must pay the "income tax" (which is confined to Subtitle A)—Cross references in

Section 5 of the Internal Revenue Code confirms that Subtitle A does not pertain to citizens.

SEC 5 CROSS REFERENCES RELATING TO TAX ON INDIVIDUALS

(a) Other Rates of Tax on Individuals, etc.—

(1) For rates of tax on nonresident aliens, see section 871.

(2) For doubling of tax on citizens of certain foreign countries, see section 891.

(3) For rate of withholding in the case of nonresident aliens, see section 1441.

(4) For alternative minimum tax, see section 55.

The federal income tax under Subtitle A is imposed on "taxable income" not "wages." Specifically, this is found at Section 1.

SECTION 1. TAX IMPOSED

(a) . . . There is hereby imposed on the taxable income of . . .

The tax on "wages" is found elsewhere, specifically within Subtitle C (26 U.S.C. 3402) and it is titled "Employment Taxes." These taxes are withheld by the "Employer" defined in Title 26, United States Code section 3401. That employer is a government agency or corporation, not a common law employer, unless of course that common law employer voluntarily applies by submitting a Form SS-4 "Application for Employer Identification Number."

When the employer submits this application the following terms (we will use the terms as they are defined within Title 20 since they are more concise) come into play. Title 20 Code of Federal Regulations Sections 404.1003, 404.1004, and 404.1005 "Employment" "means . . . any service covered by social security performed by an employee. . ." "What work is covered as employment" ". . . work you perform as an employee for your

employer is covered as employment under social security" "Who is an employee" "You must be an employee for your work to be covered as employment for social security purposes" "Wages" (a) The term 'wages' means remuneration paid to you as an employee for employment unless specifically excluded. Wages are counted in determining your entitlement to 'retirement survivors' and 'disability insurance' benefits.

In other words, for the purpose of taxation and the U.S. citizen, the legal term "employee" only relates to "covered employees" or more simply, employees that are covered under government entitlement programs (i.e. social security). This taxation, as it would apply to U.S. citizens, is found only within Subtitle C "Employment taxes" (not income tax under Subtitle A).

The provisions for administering the provisions of the Internal Revenue Code are found in Subtitle F. In this Subtitle, chapters 61 through 80 deal with the "Administration and Procedure." Only one problem (for the IRS)—there are no provisions for administering or enforcing taxes under Subtitle C. The reason is simple. . . Subtitle C is voluntary and dependent on the citizen's desire to build credit towards entitlement. It cannot be forced (enforced) upon the citizen.

However, if the IRS were going to intentionally misapply the law, how would they do it? Subtitle A is clearly limited in application and does not pertain to U.S. citizens in the 50 states. Subtitle C however is different. Subtitle C has provisions for citizens who are voluntary participants, and the similarity in certain provisions allows for a blurring of authority as to the application of the income tax.

To make use of this, IRS personnel need only "presume" that the individual in question had a requirement to file a return. Section 6012 requires returns of income to be filed but only for subtitle A (Income tax). Notice that there are no provisions in Subtitle C which require the U.S. citizen employee to file.

SECTION 6012 "PERSONS REQUIRED TO MAKE RETURNS

OF INCOME"

General Rule. —Returns with respect to income taxes under Subtitle A shall be made. . .

Second, IRS personnel need to have the authority to assess! If a person does not file a return, the assessment authority in Subtitle F "Administration and Procedure" is limited to section 6201. Where is the reference to the tax on wages under Subtitle C?

SECTION 6201 "ASSESSMENT AUTHORITY"

The Secretary is authorized and required to make the inquiries, determinations, and assessments of all taxes. . . which have not been duly paid by stamp at the time and in the manner provided by law. Such authority shall extend to and included the following.

- (1) Taxes shown on return. . .
- (2) Unpaid taxes payable by stamp. . .

Stamp taxes are not the subject of Subtitle C—nor are returns required under Subtitle A. Third, when IRS personnel misapply the law in dealing with citizens who are not required to file, they send a notice of deficiency. A deficiency is defined within section 6211 and it pertains to subtitles A and B. Where is the authority to send a notice of deficiency regarding taxes under Subtitle C?

SECTION 6211 "DEFINITION OF DEFICIENCY"

(a) In General. —For purposes of this title in the case of income, estate, and gift taxes imposed by Subtitle A and B and excise taxes imposed by chapters 41, 42, 43, and 44 the term deficiency means. . .

SECTION 6212 "NOTICE OF DEFICIENCY"

(a) In General. —If the Secretary determines that there is a deficiency in respect of any tax imposed by Subtitle A and B and excise taxes imposed or chapters 41, 42, 43, or 44, he is authorized to send a notice of deficiency to the taxpayer.

Deficiencies do not relate to voluntarily filed returns made under the provisions of Subtitle C. The misapplication of the law by IRS personnel is graphically demonstrated by provisions pursuant Subtitle A pertaining to citizens. United States citizens living and working within the 50 states may claim their lawful exemption under the provisions of federal regulation 1.14415. The exemption applies to tax under Subtitle A, a tax to which citizens are not subject!

SECTION 1.1441-5 Claiming to be a person not subject to withholding.

(a) Individuals. For purposes of chapter 3 of the Code, an individual's written statement that he or she is a citizen or resident of the United States may be relied upon by the payer of the income as proof that such individual is a citizen or resident of the United States.

Obviously, aliens do not give statements of citizenship! Income tax under Subtitle A is withheld from aliens only. Chapter 3 is in Subtitle A, not Subtitle C. Without an application for "voluntary participation", the employer is not an "employer" and may not participate for the benefit of his employees. Without making application, the employer cannot be forced to participate. But what employer doesn't want to give his employees a "benefit." These and other "perks" are factors that are considered in the market place of quality labor and it is natural for the employer to want to participate, even though he or she may not realize that it is voluntary.

Our members are aware of this. Some are employers who do not participate. Edward Kotmair, the son of the fiduciary for the S.A.P. Fellowship, is a large (common law) employer who does NOT participate. He has no federal ID number, and his employees give him statements of citizenship to forward to the IRS. The government has tried to coerce his participation but has been unable to do so. Ed has worked on the Library of Congress, the Capitol, and the Federal Courthouse among oth-

ers. Considering that the bulk of his contracts are with the federal government, it should be obvious just how powerless the government is to misapply the provisions of Subtitle C!

On one occasion, an accountant for one of his general contractors asked the company attorney about the legality of Ed's actions. The attorney informed the contractor that Ed was obeying the law but that it was "not politically favorable" and that it could effect future government contracts. In other words, his actions were within the law, but there could be political consequences for not "towing the party line." While that may be true, the fact remains, you are still free if you want to be.

Just don't get a number.

If you are a United States citizen, you do not have a legal requirement to participate in the social security program and you cannot be forced to obtain one in order to exchange your labor for wage property. If you are an employer, and the law does not require you to participate, then don't participate. With participation comes the very intervention and control that is now stifling the economy. Even "covered employees" (as previously defined) who have actually applied for the social security benefit need not participate unless they wish to build up credits. This fact can be verified by examining the general provisions in Subtitle F.

We challenge you to find any that relate to Subtitle C. If Subtitle C does not come under the law then it can in no way be imposed. Of course—those who don't pay, don't get any benefit.

—SECRET LAWS
—SECRET JURISDICTION?

In the *Yokas* case, the Court held that when Congress passes a law which involves government agencies and their corresponding jurisdiction over citizens, it is not incumbent upon Congress to detail how that jurisdiction arises over the individual citizen. It is simply "presumed" that it has

jurisdiction and the citizen has the responsibility of petitioning the agency for a jurisdictional ruling about himself. In a free country, this "new deal" concept is ridiculous, and the Court's decision is a tacit acknowledgment that the government has created a jurisdiction, effectively secret in nature, which it withholds from the general public. The non-existence of a requirement notwithstanding, presumptions to the contrary have grown into the belief that there really is a legal requirement to obtain the number, and so to file a return and pay a tax. Common sense should indicate that the social security number is not required. After all, if something is required, there is no need to apply for it—it will be given to you automatically. One only makes application for something that is NOT required, to receive the privilege associated with the application. Most people just don't think. They do not realize that the "privilege" for which they are applying is nothing more than a request to enter into the jurisdiction of the IRS. The government uses the social security number to gain jurisdiction over you, and to keep track of your activities. It can then systematically misapply and illegally enforce provisions of the law to which you may not be subject. That presumption of jurisdiction makes it infinitely more difficult to assert your rights. On the other hand, if someone does not have a social security number it is far less likely that they will be put into a position where they need to assert their rights—but, there are problems for those who refuse to obtain the number. It becomes difficult to save, buy, or sell property. The non-participant is considered an outcast—or worse, a criminal. The average uneducated American often considers the non-participant to be unpatriotic—and though ironic—it is participation that is unpatriotic. Participation actually serves to undermine the limits of authority that the Constitution places on the government; and, it gives the government an authority that it would not ordinarily have. The perpetual misapplication of law that is made possi-

ble by its implementation, and the overall effect that it has on limited government, serves to effectively usurp the Constitution to which the government is subject. The average person does not understand the reason for the number, and therefore, cannot understand the reason for rejecting it.

RESTORING LIBERTY

The system will collapse when people start rejecting the benefit and refuse to use the number. The more people who refuse to participate in voluntary social programs, the less "hold" the government has over the lives of the people. When people reject the number they are free again, and that is the beginning of the end. Not only for socialism, but for world government and a cashless environment. Politicians need the number and the benefits associated with it to buy votes. If they can't buy votes then what happens? We get our freedom back. Graft and influence fade away and we end up with the constitutional government that was intended by the founders. Right now, the tentacles of this numerical nightmare go off in every direction. The one reaching out to grip the drivers license requirement has just been cut off, and the government has recoiled from the adverse public reaction that was so unexpected.

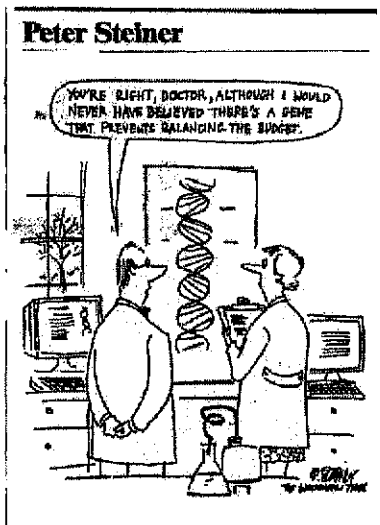
That's just the beginning. With your help, and the education of just a few, things can turn around rapidly. The colleges are filled with disillusioned students who realize that the "benefit" promised by the government is a fleeting dream, and that the government cannot possibly fulfill its obligations.

Former Commissioner (of Social Security) Gwendolyn King stated just before she resigned that unless emergency legislation was forthcoming, the "system" would not survive another 3 years. These college students may not understand the details of what is wrong but they can understand what is happening. They understand that if they do not have to pay and participate, they will have more of their own resources to provide for themselves. When one person refuses to participate and succeeds,

a second will follow. When the first and the second succeed, a third and a fourth follow. Geometrically, it doesn't take long before word spreads. Convince an employer to pay you only a penny a day for your employment. Have him double it the next, to 2 cents—and double it again the third day to 4 cents. By the end of the month you will have well over a million dollars. That is the effect of geometric progression, and that is why we must begin to educate friends and neighbors. We must not yield to "voluntary compliance" or the jurisdiction that it entails.

SYNOPSIS

In this article we have learned that the government needs to encourage participation in the social security program in order to possess jurisdiction that it would not ordinarily have. We have learned that this jurisdiction is tied to the Internal Revenue laws and that together this machinery provides the necessary social controls that will eventually lead to world government and cashless transactions. We have examined the structure of the Internal Revenue Code and reviewed the tenuous and illusory relationship between Subtitles A and C. Even more important, we have demonstrated, (by the current drivers license renewal program) just how effective a few people can be when they assert their rights and force the government to remain within the confines of the law."



The Bill of No Rights

We, the sensible of the United States, in an attempt to help everyone get along, restore some semblance of justice, avoid any more riots, keep our nation safe, promote positive behavior and secure the blessings of debt-free liberty to ourselves and our great-great-grandchildren, hereby try one more time to ordain and establish some common sense guidelines for the terminally whiny, guilt-ridden and delusional.

We hold these truths to be self-evident, that a whole lot of people were confused by the Bill of Rights and are so dim that they require a Bill of No Rights.

ARTICLE I

You do not have the right to a new car, big-screen color TV or any other form of wealth. More power to you if you can legally acquire them, but no one is guaranteeing anything.

ARTICLE II

You do not have the right to never be offended. This country is based on freedom, and that means freedom for everyone — not just you! You may leave the room, turn the channel, express a different opinion, etc., but the world is full of idiots and probably always will be.

ARTICLE III

You do not have the right to be free from harm. If you stick a screwdriver in your eye, learn to be more careful, do not expect the tool manufacturer to make you and all of your relatives independently wealthy.

ARTICLE IV

You do not have the right to free food and housing. Americans are the most charitable people to be found, and will gladly help anyone in need, but we are quickly growing weary of subsidizing generation after generation of professional couch potatoes who achieve nothing more than the creation of another generation of professional couch potatoes.

ARTICLE V

You do not have the right to free health care. That would be nice, but from the looks of public housing, we're just not interested in public health care.

ARTICLE VI

You do not have the right to physically harm other people. If you kidnap, rape, intentionally maim or kill someone, don't be surprised if the rest of us get together and kill you.

ARTICLE VII

You do not have the right to the possessions of others. If you rob, cheat or coerce away the goods or services of other citizens, don't be surprised if the rest of us get together and lock you away in a place where you still won't have the right to a big-screen color TV or a life of leisure.

ARTICLE VIII

You do not have the right to demand that our children risk their lives in foreign wars to soothe your aching conscience. We hate oppressive governments and won't lift a finger to stop you from going to fight if you'd like. However, we do not enjoy parenting the entire world and do not want to spend so much of our time battling each and every little tyrant with a military uniform and a funny hat.

ARTICLE IX

You do not have the right to a job. All of us sure want you to have one, and will gladly help you along in hard times, but we expect you to take advantage of the opportunities in education and vocational training laid before you to make yourself useful.

ARTICLE X

You do not have the right to happiness. Being an American means that you have the right to pursue happiness—which, by the way, is a lot easier if you are unencumbered by an overabundance of idiotic laws created by those around you who misunderstood the original Bill of Rights.



Reasonable Action



Liberty



Justice



VOLUME XV, No. 3

The Membership Newsletter of the Save-A-Patriot Fellowship

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KOTMAIR K.O.'s EX-IRS ATTORNEY ON TALK RADIO

BACKGROUND

On March 23, 1999, CNN Financial Networks published a "warning" regarding the Save-A-Patriot "Internet tax bandits." This report was filled with a number of wildly inaccurate statements and smears. Featured in the report was a former IRS tax attorney by the name of Alvin Brown who stated that SAP was selling "buckets of poison" to the public. A copy of the report was faxed to WCBM, a talk radio station located in Baltimore, Maryland, which resulted in this show being aired. (Since SAP is accustomed to being vilified by the establishment media, the report was largely ignored here when it first appeared.)

ABOUT THE SHOW AND THE TRANSCRIPT

This program was originally broadcast on WCBM on July 19, 1999. It begins with the talk show host, Les Kinsolving, reading the CNN report in its entirety. This is not reproduced here. John Kotmair's responses to several of its allegations are.

It should also be mentioned that Mr. Kinsolving has for some time been an outspoken critic of Save-A-Patriot, commonly referring to us as "those crazies in Westminster" and "tax bandits." His intent



with this show was to publicly humiliate SAP fiduciary John Kotmair with the assistance of his "IRS expert." (What was the actual outcome? You be the judge!) In fact, Kotmair was to be publicly facing not one but two adversaries. (Much like the situation we encounter all too often within the court system, where judges will frequently advance the prosecutor's agenda rather than remaining neutral arbiters.) The show received a lot of advance publicity and enjoyed a large listening audience.

The following transcription has been made as accurately as possible, using a tape of the original WCBM radio broadcast. However, the show has been edited for length for inclusion in this newsletter. In

particular, some of the callers have been edited out and some minor bantering has been removed due to space considerations. (The entire unedited transcript may be viewed at the SAPF web site, or printed copies may be ordered for 10.00 FRNs ea. from the SAPF Bookshop.) At times multiple voices were heard and what was said could not be discerned. These are noted in the text. In addition, editorial comments may be placed from time to time, these will be enclosed in square brackets ("[]").

Every effort has been made to preserve the accuracy of the statements made by all involved. Where possible the tone of the conversation is also indicated. To the best of our knowledge there are no substantive errors in the following text.

KINSOLVING: Since it [the CNN report] is strongly critical of Save-A-Patriot and similar organizations, I do believe that in fairness our guest John Kotmair should have first rebuttal for five minutes, then we'll go to our other guest, [redacted] welcome.



[redacted] it's a
[redacted]
KINSOLVING: Thank you.

(Continued on Page 3)



STATEMENT OF PURPOSE FOR THE SAVE-A-PATRIOT FELLOWSHIP

The S.A.P. Fellowship is a 1st amendment association dedicated to seeing that IRS and other government personnel obey the law. Our association recognizes the necessity of taxation (raising of revenues) but we also recognize that this necessity has provisions in the law, and that the government, in meeting its exigencies, may not extend its activities beyond the law.

The Fellowship actively promotes the study of the law and the assertion of one's rights in accordance with the law. It does not "protest" or "object" to any tax, income or otherwise, and is NOT a "tax protest" organization. However, Fellowship members believe that many Internal Revenue Service (IRS) employees routinely misapply and illegally enforce the provisions of the law and that the public must find a way to hold them within the law. To that end the Fellowship educates the public, shows in its publications what the law actually says, and attempts to clarify the limitations of various tax laws as was intended by Congress. The Fellowship does not advocate or condone unlawful resistance, protest, or other like actions.

However, as law abiding citizens we will not tolerate illegal threats, intimidation or acts of violence by government employees who exceed their authority under the law. The Fellowship has researched and developed legal defenses to help prevent this and to protect our Liberty and Property.

The Fellowship believes that this has become necessary because too many government bureaucrats have been relying on unlawful and un-American tactics such as fear and intimidation to keep the public "in line" in order to perpetuate their own private agendas. They have and continue to use the news media to plant stories suggesting that resistance is useless and reprisal is swift and financially painful. These "reminders" and a lifetime of conditioning make it difficult for most people to assert their rights. However, S.A.P. Fellowship members have joined together to help remove the risk by pledging to assist one another!

To our knowledge, there is no insurance company willing to buck the system and insure Patriots against criminal acts of government agencies or their employees. Creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submission to the dictates of the Insurance Commission. In no time at all, we would have been expending funds fighting legal actions just trying to survive. It would have also been necessary to protect such funds from the searching eyes of the IRS and other government agencies.

There was only one totally logical answer:

a FELLOWSHIP that gives the Patriot insurance-like protection, hence to Save-A-Patriot!



HOW DOES IT WORK?

Simply put, Fellowship members pledge to reimburse other members for losses of cash or property incurred by illegal confiscations. This is done by spreading the reimbursement costs to all members. For example, suppose that after a valiant and stubborn struggle through the phases of the legal maze, a member were to lose his vehicle to an illegal seizure. Let's value the vehicle at 9,000 Federal Reserve Notes (commonly called "dollars"). If there are 10,000 members participating in the Fellowship, S.A.P. would verify the loss and apportion the liability at a rate of .90 cents per member. PRESTO! Mr. or Ms. Member Patriot suffers NO loss and his friends' fear of possible IRS retaliation is gone! Real-life examples such as this have convinced "closet" Patriots to join the S.A.P. Fellowship in droves! Welcome to the Constitutional Revivalist Movement!

The surest and safest protection of funds is to keep them in the hands of the members. The only money to be sent to S.A.P. Headquarters is the annual 70 FRNs membership participation fee. This is tendered in FRNs (cash) or a totally blank Postal Money Order (cash can be sent by certified mail). S.A.P. maintains no bank account, so checks or money orders made out to "S.A.P." can't be endorsed and cashed. The membership fee is used for the administrative needs of S.A.P. — staff, rent, phone, printing, postage, etc. After verification by Headquarters of losses to claimant member, an apportionment is sent out to the membership; you send payments DIRECTLY to the claimant (or their beneficiary)! S.A.P. merely verifies that all members have met their assessment obligations by a simple procedure.

Payment For Incarceration. There are still occurrences when a Patriot is criminally tried, convicted and jailed. This is the most difficult financial burden to individually shoulder. Therefore, it is the stated policy of the Fellowship to assess for the beneficiary of each incarcerated Patriot 25,000 FRNs per calendar year, during the period of actual incarceration. To the best of our knowledge, there have never been more than 30 Patriots in jail after conviction at any one time. At this rate, and assuming that all were covered S.A.P. Fellowship members, this protection would cost 10,000 members 75 FRNs for all those jailed. If there are 80,000 members participating, it would only be 9.38 FRNs each for all 30 beneficiaries!

The figure of "80,000" is in line with a 1984 federal estimate of the number of participants within the so-called Tax Patriot segment of the Constitutional Revivalist Movement. Using this figure as our goal for total

Fellowship participation, we could increase the incarceration payoff amount to 100,000 FRNs each per calendar year and it would only cost each member 37.50 FRNs to support the 30 jailed members! With this kind of hard-cash protection, Americans will not only lose their fear of the IRS, but will almost be standing in line to go to jail!!! Even IRS agents could not resist such an offer!

In other words, remove the financial threat to the average American individual citizen, and the IRS's house of cards will collapse! —

AND LIBERTY WILL ABOUND!!



REASONABLE ACTION NEWSLETTER

The RA is the Fellowship's tool of Education. It is available only to Fellowship members by paid subscription, at 35 FRNs per year for six (6) issues. (Check back pages of this issue for a subscription coupon.) You are holding in your hands one of the most highly respected Patriot publications in the country. It is the culmination of over twenty years of blood, sweat and tears of thousands of named and unnamed Americans. The articles appearing on these pages represent the state-of-the-art in legal understanding of the United States system of income taxation. You will not find any groundless "far-out" theories. You will find thoughtful, provocative articles, discussions and opinions that are grounded in fact and logic. The editors strive to ensure the accuracy of all the presented writings, insisting that the authors give attributions so the reader may verify the accuracy himself. As a matter of principle, we recommend that as each article is read, a copy of the Internal Revenue Code be close at hand. Education is the key to throwing off the (imaginary) chains of IRS bondage!

REMEMBER—

AN IGNORANT PUBLIC
IS THE IRS'S BEST FRIEND . . .
AN EDUCATED CITIZEN
IS THE IRS'S WORST NIGHTMARE!!!



**ALL IRS MAIL
MUST BE ANSWERED!**

If no response is sent, then under the law of presumption, any allegation contained therein is considered to be correct!

Note: If you have given Power of Attorney, you will want to consult your caseworker before initiating any correspondence on your own.

Kotmair v. Brown Radio Debate

(Continued from Page 1)

KOTMAIR: Well, first of all, I'll give you a little bit of history. I became interested in the federal tax code back in 1968. I started studying it very seriously in 1973. In 1984, I founded the Save-A-Patriot Fellowship. For 15 years now we've been teaching the Constitution and the tax code itself; and the regs and the manual. In 1993 we wrote to the Commissioner of Internal Revenue... only before I get into that, might I say that...

KINSOLVING: You can say anything you want, this is uninhibited radio.

KOTMAIR: OK. ...that the CNN misquotes us like everybody else. They say that we contend that the laws are "unconstitutional." That's not so at all. The laws are *very* constitutional, as written. And we have *never* said that the tax law is "unconstitutional." If we were saying that the tax law was "unconstitutional" and people should not obey the law because of that, then the first one that did that by our say-so with us, we'd both be charged with conspiracy and the Fellowship wouldn't be 15 years old. That's nonsense, that's ludicrous.

Getting back to 1993, we wrote the Commissioner of Internal Revenue, and asked if the Commissioner or a delegate of the Commissioner would come to the Fellowship, and show us where we were wrong in the law. We published this in the newspaper, and we received no

response. In October of the same year we wrote again and asked the Commissioner if she would (at that time she was just appointed), if she would come or have her delegate come to the Fellowship and show us if we're wrong in the way we're teaching the law and publishing about the law. After that we received a letter from the chief of the CID [*Criminal Investigation Division*] in Washington, DC saying that the Commissioner was declining our invitation, and that he was turning the whole affair over to CID in Baltimore.

Well, on December the 10th, 1993, the IRS raided our Fellowship. Their Affidavit of Probable Cause was charging me criminally as follows, they made four allegations. The first allegation was that I had no Employer Identification Number, and that I was not withholding taxes from the employees here. The second allegation was that people come and go. The third allegation was, there quite possibly could be contraband on the premises. And the fourth allegation was that we could not exist without being regulated by government.

Well, there was six hearings in the Federal court in Baltimore. The first thing we argued back to the court, we said that if the government shows us a law that requires me to obtain an Employer Identification Number and withhold from the employees, I'll do so. No problem. Well the government couldn't do that. So, after the fifth hearing the U.S. Attorney, Harvey Eisenberg, came to me and said that he was declining the IRS' criminal

investigation on me. And then of course it was ludicrous to argue "people come and go," so the next thing was this contraband but they couldn't find none in the raid, there is no contraband. So the last thing they had to argue was we couldn't exist without being regulated. Well, we argued that on the sixth hearing. And finally the judge, Garbis, entered his ruling, which favored us and said of course, it's a free society, they can exist without being regulated.

So the IRS had to return all the property, all their efforts were for naught. We *still* don't have an EIN number, we *still* don't hold from our employees. The Department of Justice appealed the judge's decision in the 4th Circuit Court of Appeals, and two months or three months later they moved with a motion to the court to dismiss their own appeal with prejudice. And it all ended. And they haven't bothered us since.

Now there's other discrepancies with the article from CNN. In fact, believe it or not, today is the first day I've read it. We're so used to being smeared usually some of the staff here handle this, Bill Huff who was then editor of the newsletter handled this. Another discrepancy is we charged 35 instead of 45. The other discrepancy is, it indicates or infers that he found us on the Internet in 1992, we were not on the Internet, we didn't have a web page in 1992. And it's impossible to do 10 letters a month and they're not even letters that we do. We appeal, request informa-

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ATTENTION!!! SPECIAL NOTE TO READERS

The information presented in the various authored tax-related articles and editorials is based on what the writers believe to be true. The editors of this publication strive to ensure that all information appearing on these pages is based on fact and represents the state-of-the-art in understanding the income tax laws as administered and enforced by the Internal Revenue Service. However, we strongly advise that the reader personally verify the accuracy of the information himself. A general disclaimer is now presented: The authors, editors and publisher of this newsletter make no guarantees, nor will be responsible, about the uses for which anyone may use this material.

NOTICE

The Save-A-Patriot Fellowship and the staff of the Reasonable Action Newsletter strongly believe that everyone must file whatever returns the law requires them to file, and pay any tax due for any liability as shown thereon in a timely and conscientious fashion. We do not condone the willful non-filing of required returns nor evasion of such taxes. No article published in any edition of the RA should be construed to encourage the "protest" of any such tax or filing requirements, or as an endorsement to rebel against any government agency having lawful approval for, and lawful authority to request information, or to carry out the provisions of any of the laws of these United States. We disseminate factual information about federal and state law as well as the Constitution of the United States. We also encourage the study of those laws, and the assertion of one's rights in accordance with the law.

Kotmair v. Brown

(Continued from Page 3)

tion, and we use the rules that are found in the Internal Revenue Service Regulations at Part 601. Which, by the way, very clearly say in Part 601, section 601-102 that employment taxes cannot be appealed to the tax court, because the tax court has no jurisdiction, there is no appeal for employment taxes for a Notice of Deficiency.

KINSOLVING: OK, let's go to Alvin Brown, welcome to WCBM.

KINSOLVING: That's good, that's great!

BROWN: I normally talk a little softly, I'll just have to, uh, uh, make a little mental adjustment. Um, I just want to introduce myself briefly. I had, uh, uh, a 30-year career with the office of the, uh, Chief Counsel of the Internal Revenue Service. For many years I had the authority to sign off for the IRS. So, uh, if the District Director of some, you know, had a legal issue and needed to know what the answer was, my office of attorneys working for me would, uh, would give that opinion and the District Director would rely on it, ruling letters and things like that. So, I had a very high level pure legal interpretative function with the Service, and, uh, also worked on capitol hill as a tax lobbyist, so I'm familiar with, uh, uh, legislation, and what Congress has in mind when they write tax legislation. And, uh, now... The issues you raised in that piece, it's something that came to my attention by I would say hundreds of phone calls I've gotten because people have found me on the Internet and seen my IRS credentials and have asked me various questions. I help many of them with, uh, collection issues, like, you know, get their taxes reduced in different ways, things like that, that let them deal with the tax burden or eliminate it after it's imposed.

What you heard initially in the first five minutes is really not the issue that you started with, uh, he was drawing you off into unrelated issues [*The law regarding withholding is an "unrelated issue?"*] not germane to the topic that you're discussing, you raised. Uh, the people that, a lot of the people that call me have been

through the system. They paid a lot of money relying on their right no to pay their, um, federal income tax. They paid a lot of money for advice on, um, not filing. So, a lot of people in the United States don't file and they don't pay their income taxes. Um, and then the IRS jumps on them, they take their homes, they take their businesses, they just literally clean them out, and they leave them with a huge debt that they can carry for the rest of their lives. They literally can destroy families [*You believe this is a good thing, Alvin?*], take everything they have, because the IRS has the right to seize property and levy income. [*It would appear that Mr. Brown has never actually looked to see what the law and the regs actually say!*] Um, uh, you can work your whole life collecting income, collecting property, and it can be taken away from you in minutes through this advice.

Um, I, I get very steamed on this subject because people profit for selling this information to Americans. Now, I read all of the cases, that come out. I read the cases that decide these issues. I would say there are hundreds of, um, protester-

Kotmair: "Can I ask you some questions about the Code?"

Brown: No!

type issues that are raised in the courts.

The courts deal with this issue constantly. I don't know of any cases they win. I mean, I read these cases, I read current cases. Um, I started posting some of these cases on my web page. I don't go back through all of them, there's zillions of them, but... [*If the courts are deciding cases in opposition to what the law says, that's apparently OK with Mr. Alvin Brown.*]

BROWN: The issue was not whether he was paying his federal income tax, his reporting his income from his business. It wasn't a specific individual fraud issue. So don't get led down the path talking

about...

KOTMAIR: (laughter)

BROWN: ...they did a raid on him, they're trying to find something because he's selling this poison to Americans and they're looking for something, it was probably a fishing expedition, [*Since when are "fishing expeditions" acceptable, Alvin?*] um, and they didn't come up with anything in his individual case. But, he didn't tell you that he wasn't, uh, filing his income tax returns, um, with income that he is receiving, um...

KOTMAIR: (laughter)

KINSOLVING: OK, now listen, I want to know, is there anything else you want in your opener or can we just go back and forth? Alvin, do you need a little bit more... I don't want to cut you short...

BROWN: Let me just say this because I...

KINSOLVING: All right, and then we can take a break, then we'll go back and forth.

BROWN: ...I have an audience that — of course, you can do that, and I can be interrupted, but, um, I agree with your initial comment that there are lots of, uh, Americans who don't file and who don't pay their full income tax. There's a lot of people who can't afford it, you know, businesses go sour and they use federal tax money to pay their electric utility bills. There are a lot of people out there. But I just want to let everybody know that there is very strong tax policy not to prosecute, not to bring a criminal charge against anyone who voluntarily comes in and files their income tax return. And Congress has written law to abate their tax liability if they can't afford to pay it. I deal with a lot of that, uh, to help the people who have already been devastated by this misinformation. Um, I just want to make two solid points here, because this is the bottom line...

KINSOLVING: All right, then we'll break; then we'll break and we'll come back and we'll mix it up.

BROWN: OK, the bottom line is they

don't win these cases, because I read them. The other thing is when they tangle with the IRS, the IRS wins. I don't know any situations...

KOTMAIR: (laughter)

BROWN: ...any situations where the IRS loses on these collection issues after there is an assessment.

KINSOLVING: ...Our guests, John Kotmair who is the head of the Save-A-Patriot Fellowship of Westminster, and Mr. Alvin Brown who is formerly with the IRS. Now it is John Kotmair's time. John, he referred to, uh, what you're producing and distributing as "poison."

KOTMAIR: (laughingly) Yeah, I heard him. You know, he don't have to go talking about filing returns. The affidavit of probable cause that the special agent filed with the Federal District Court to obtain the warrant stated in there that I hadn't filed returns since '72. Well, they were one year off, it was '73. I *still* haven't filed any. The director of the service center in Ogden, Utah, Deborah Decker, started writing to our members intimating or inferring that I was filing returns secretly. So I wrote her and called her down on that. She had to stop that, because if that's so then the special agent committed perjury, didn't he? I mean that's ludicrous, we don't want to hear that. Ask Mr. Brown why I'm not withholding and don't have an EIN number.

KINSOLVING: You ask him. All right, Mr. Brown, you're up.

KOTMAIR: Tell me Mr. Brown, why don't I have an EIN number? Do you know the requirement to have an EIN number?

BROWN: Um... I... You know, I... I don't understand why we're talking about your EIN number... [Mr. Brown is apparently unable to fathom the ramifications of the fact that there is no law requiring EINs for domestic employers, or withholding of income taxes from citizens.]

KOTMAIR: (garbled) Because... I'm not... The tax here...

BROWN: Um, I get calls for representation *all the time*, constantly, from people who have been assessed and the IRS is on their backs trying to collect. These are all people who have bought through the system. The court cases require um, uh, underscore the fact that you, that people, uh, have to pay the federal income tax. Congress has every year legislates amendments to the Internal Revenue Code about changes in the tax, uh, rates or structure or other modifications of the Internal Revenue Code. The courts all, um, endorse the taxation of the United States, um, citizens. Whether or not, uh, you have filed a tax return is a different issue, and I don't know the facts because if you're not

Kotmair: "How many subtitles are there in the Internal Revenue Code? Do you know?"

Brown: "Who cares!"

reporting, if you're not showing your income or source of income you don't have to pay any tax. If you're not, if you're not showing \$600 in income...

KOTMAIR: Mr. Brown? You spoke of the Code. Can I ask you some questions about the Code? You're a tax attorney...

BROWN: Now wait a minute! What, what...

KOTMAIR: Can I ask you some questions about the Code? ...

BROWN: No! ...

KOTMAIR: ...you're a tax attorney. How many subtitles are there in the Internal Revenue Code, Mr. Brown?...

BROWN: ...because there are *thousands and thousands* of issues that have been...

KOTMAIR: ...How many subtitles are there? Let's see how much you know about...

BROWN: ...you know, it's... (inaudible)

KOTMAIR: How many subtitles are there in the tax code, Mr. Brown?

BROWN: (long silence) What difference does it make? [Alvin seems to believe that the structure and content of the law are irrelevant!] Why are we talking about...

(multiple voices, inaudible)

BROWN: How many pages in the Code, I mean why don't you ask me that question?

KOTMAIR: No, well I'm asking, do you know how many subtitles...

BROWN: You, you want to handle this by not talking about the issue.

KOTMAIR: No, that is the issue! The law is the issue!

BROWN: The issue is...

KOTMAIR: How many subtitles are there in the Internal Revenue Code? Do you know?

BROWN: (brief silence, exasperated) Who cares!

KOTMAIR: WHO CARES?! Oh, you don't care about the law, you don't care about the structure of the law, you just want to talk rhetoric about some court case that's way off, that you're not even referring to, and it doesn't make any sense? ...

BROWN: ...trying to get off the subject and change the air time so we don't focus on...

KOTMAIR: No, no, there are, you know how many there are? There are 11 subtitles... How many categories of taxation are there in those subtitles?

BROWN: ...that information that you're creamed by the IRS. Why don't you talk about that?

KOTMAIR: No, let's talk about the law itself! And because you're saying you

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Kotmair v. Brown

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people are subject to it, now let's get down to the law and see if they are. Let's you and I go about this, right now!

BROWN: Now wait a minute! Wait a minute! *[Brown apparently has a real problem with looking at the law!]*

KOTMAIR: Wait a minute?! How many, how many...

BROWN: ...we did not do what Bill Clinton (inaudible)... You can take any word in the Internal Revenue Code, and you...

KOTMAIR: We're not talking about words, we're talking about the law itself. Let's see when I go to that law right now, let's go to the law...

BROWN: ...but the fact of it is that when they take these, uh, these... (multiple voices)

KINSOLVING: Wait a minute, wait a minute, John hold on one second, then we'll be back to you. Go ahead, Alvin.

BROWN: ...the real, the issue — let me have this — and the issue is whether or not the, the information that you sell and make money on to Americans, uh, and the advice that you give them wins in the courts.

KOTMAIR: Alvin, what is that information...?

BROWN: Tell me, tell me how many people you have defended in the court system...

KOTMAIR: Alvin, what information do I sell?

BROWN: ...and won in the courts. You can't...

KOTMAIR: Do you know what information I sell, Alvin? What information do I sell?

BROWN: Well I know, uh, I get the calls,

don't give me...

KOTMAIR: You might get the calls, now you're talking about what I sell! What do I sell Alvin?

BROWN: ...I don't know about your organization, I just get calls...

KOTMAIR: What do I sell? You don't even know!

BROWN: Of course not. I, I don't know you at all. *[Yet he stated publicly for CNN that SAP sells "buckets of poison!"]*

KOTMAIR: Well you don't know what I sell either!

BROWN: I get calls from a lot of people who are...

KOTMAIR: What do I sell, Alvin? Let's talk about factual things, not innuendo!

BROWN: ...that information commercially. I mean, I hear this. These are people ...

KOTMAIR: ...say one thing that I sell that you know that misleads the people.

BROWN: I don't know anything about you, so let's stop it there.

KOTMAIR: Well; well then why did you make that remark just a few minutes ago, alleging that I "sell poison to the public?" You don't even know what I sell!

BROWN: (silence)

KINSOLVING: Let me ask, uh...

BROWN: Well, I'll caveat it then...

KOTMAIR: Let me say one thing, Les. I'm going to invite Mr. Brown right now to come to our Fellowship, like I did — like I've done Dominic Lopenzino, everybody in Baltimore IRS, Washington DC IRS; make a live-time video with us, not edited, showing where we're wrong in what we're saying. In invite him. I dare him!

BROWN: Now, I accept... *[Needless to say, we still have not heard from Mr. Brown about doing this video!]*

KOTMAIR: An open invitation, Mr. Brown, come on down here and show where the "bucket of poison..."

BROWN: I care about the people who, are get creamed by the IRS, by listening to advice...

KOTMAIR: You sound like a worn-out record! I'd like, I'd like you to tell me how many categories of taxation that are in those subtitles.

BROWN: (laughing) Are you trying to be funny?

KOTMAIR: (angrily) No, I'm not trying to be funny! I'm trying to find out how much knowledge you have about the law, because I get into the IRS and I find out they don't have any knowledge of the law!

KINSOLVING: (incredulous) The IRS doesn't know anything about the law?

KOTMAIR: That's right.

KINSOLVING: (sneeringly) Ooh.

KOTMAIR: That's totally correct.

KINSOLVING: (mockingly) Good heavens.

KOTMAIR: ...I doubt if he knows. Right now, let's give him a test right now, Les, and see what he does know. How many categories of taxation are there in those subtitles, Mr. Brown?

BROWN: Les, Les... (mumbles)

KOTMAIR: Come on Mr. Brown, let me hear what you have to say!

BROWN: ...see, he wants to get off the topic...

KOTMAIR: We're not "getting off" anything, let's get to the law!

BROWN: ...counsel and give advice to...

KOTMAIR: Let's talk about the Internal Revenue Code! ...

KINSOLVING: Wait a minute! Wait a

minute! Let him... Hey, hey — John, easy.
KOTMAIR: (angrily) I'm tired of these charlatans!

BROWN: ...you know, it's, uh, I'm unimportant in this, and how many fingers on my feet, you know, that's just, I mean...

KOTMAIR: (exasperated) Oh, God...

BROWN: ...these questions are silliness.

KOTMAIR: Let's talk about facts, Mr. Brown.

BROWN: What is serious, Les, what is serious, was very serious, that there are very gullible Americans who believe, after reading information from people like him. I don't know specifics, I've never read their materials...

(Station Break)

KINSOLVING: And let's go right to the calls, we're going to Essex and welcome Rick. Rick, you're on with Mr. Kotmair and Mr. Brown.

CALLER: You know, this gentlemen doesn't even know the tax laws, like most of the government officials. Don't know the laws that they pass upon the citizens. I would like to ask you, Mr. Kotmair, has the tax thing ever been ratified by the states?

KOTMAIR: Has the what?

CALLER: Has the 16th Amendment ever been ratified by the states?

KOTMAIR: Well, all I know about that is that a lawyer by the name of Lowell Becraft, an ex-revenue official from Illinois by the name of Bill Benson, and a rancher from Montana named Red Beckman traveled to every state back in the early '80s and went to their archives, and dug out their ratification on the 16th Amendment and got certified copies. And when it was all tallied the Amendment failed according those state records.

CALLER: Now last week we have a chief inspector of the Internal Revenue Service resign his position because he was taking property from the people. And he went to

the head of the, uh, the Treasury Department and asked the Secretary for documents to see where he could take property away from individuals. And this is the first man that would resign, oh, he's got 18 years in there, and I think he's holding a meeting down in California this weekend. Have you heard about that case, sir?

KOTMAIR: You mean Joe Bannister, who was a CID agent.

CALLER: Yes, sir.

KOTMAIR: Well, you know, the point being is everybody knows the IRS goes around seizing property and putting people on the street. I mean, that's nothing new. We concede to that. What we want to do is find out about the law... Mr. Brown talked a little bit ago about sources [of income], I'd like to ask him where you find the sources in the Internal Revenue Code, I'll bet you he don't even know.

BROWN: Congress writes tax law, and uh, it's in the form of Internal Revenue Code. Also...

KOTMAIR: Where, where...

BROWN: They also give, uh, Treasury the power to write regulations to apply the law or write specific rules interpreting the law. And that, uh (multiple voices, inaudible) ...that authority to Treasury is re-delegated to the IRS, who is, uh, ... (multiple voices, inaudible)

KOTMAIR: The sources, all the sources are listed in the Internal Revenue Code, can you tell me where to find that? Do you know?

BROWN: ...the sources of the Internal Revenue Code, well Congress... [Alvin just doesn't get it!]

KOTMAIR: Sources of income, they're all listed in the Internal Revenue Code...

BROWN: The Internal Revenue Code is nothing but a compilation of the law passed by Congress... [Alvin still doesn't seem to comprehend the question!]

KOTMAIR: Of course, and it's an Act of

Congress, now where do you find those sources that are listed in it? Do you know?

BROWN: Well, Congress writes law...

KOTMAIR: I understand they write law! We all know the Internal Revenue Code is Congress' law! Now tell me where you find the sources within that Code.

BROWN: Is your argument that the Internal Revenue Code is not law? [What have you been smoking, Alvin, or have you just not been listening?]

KOTMAIR: No, I'm arguing that it is law! I'm just showing that you don't know anything about it, that's all I'm doing, I'm proving a point! You can't tell me where to find the sources, but I can tell you. It's in subchapter A and starts at section 861. Why didn't you know that?

BROWN: Well, uh, you know, it starts on page one. I mean, I don't know what your point is...

KOTMAIR: I'll bet you I know more about the law, why don't you come down and do a video...

BROWN: ... it ends on the last page.

KOTMAIR: ...I'll bet I know more about the law than you ever dreamt of. [An understatement!]

BROWN: ...are you saying that Congress doesn't have the authority...

KOTMAIR: No! Congress *does* have the authority. I'm saying it's there.

(Station Break)

KINSOLVING: ...Alvin, anything you want to say before we go to further callers?

BROWN: No, and I want to thank you for giving everybody a heads-up here. Um, um, you know, what this gentleman is now talking about are the court cases that they lose. [Alvin still doesn't seem to comprehend that SAP won its case in court!] But these, uh, protest-type people lose. I mean, you can make any argument you want in

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the Internal Revenue Code, you know, and the courts are not going to ask you how many chapters are in the Code. The court, the court is going to know, um, you know, they're going to consider all the issues. Um, the courts are lately prone to calling a lot of these issues frivolous, and they've said this, they've said that we've addressed these issues so many times, so frequently, they are so frivolous, that we don't want to address them again. Uh, you know...

KOTMAIR: (laughter)

BROWN: ...judgment against the taxpayer. These, these... This is not funny! This is not funny! Peoples' lives get ruined by this information, and other people make money from it. I don't know anything about your personal business affairs, so whether you do or don't is...

KOTMAIR: Well (clears throat)...

BROWN: I know that people make a lot of money selling this information to gullible Americans, and they rely on it, and they take issue with the IRS, and they litigate the issues and they lose.

KOTMAIR: Well sure, Alvin. Now you just admitted you know *nothing* about what we do here, and yet you claim that we sell "buckets of poison."

BROWN: Yea, well, to the extent that you advise people that they...

KOTMAIR: What do I advise?

BROWN: ...that they don't have to pay their employment tax. I have about 20 clients, uh, who...

KOTMAIR: We've been to court, Alvin, let's go through it. You opened the door. Employment taxes. Right? What are...

BROWN: There's, there's a lot of taxes, but you mentioned, uh, payroll, and, and there's a, there's a...

KOTMAIR: What are employment

taxes?

KINSOLVING: Now listen, let's wind it up because we've got a whole bunch of listeners, OK?

KOTMAIR: Well, I'd like him to tell me, he just talked about employment taxes, where do you find employment taxes in the Internal Revenue Code?

BROWN: You are changing the subject, and I'm, I'm challenging you to tell me...

KOTMAIR: You're challenging me to what?

BROWN: ...they don't win these cases.

CALLER: [where is] the section that says I as a citizen, not working in a restricted occupation, that I must file?

BROWN: (long silence)

KOTMAIR: Where's it at, Alvin?

BROWN: (longer silence)

Now you can, you can go through any kind of semantical exercise you want... [Alvin appears to be in serious denial.]

KOTMAIR: There's no semantical exercise, Alvin...

KINSOLVING: All right, let's go to the calls. Let's go to... Whoa! Whoa! Let's go to George in Westminster. George, welcome to WCBM.

CALLER: Hi, Les. A great show. It's so entertaining to have someone as enlightened and informed about the law as Mr. Kotmair. I really respect him for his knowledge of the law, which this gentleman Mr. Alvin, uh, stated when Mr.

Kotmair asked him about the law, he said "the law does not matter," quote. He said "the law was not an issue," quote. He said the law was "silly."

BROWN: I, I never, um, I'm sorry, you, you're taking something out of context, I don't recall saying that.

CALLER: ...that's exactly what you said. Now, sir...

BROWN: No...

CALLER: ...You're the expert, I've got a couple of questions.

BROWN: To the, to the contrary, the law is very important... [Then why don't you seem to know any of its most fundamental parts, Alvin?]

CALLER: Why can't you cite simple, elementary tax law answers?

BROWN: You, you're part of this group and you want, you want to discuss one word, one sentence or something, and I'm telling you Les, there are thousands and thousands and thousands of arguments that have been made about the Internal Revenue Code, but the focus ought to be on whether or not they take these perverse arguments and win with them. I think the issue ought to be, do you win these cases in court...

KOTMAIR: Alvin, what are the perverse arguments that we have made? We already won in court, Alvin. We won in court. And let me send you a transcript...

BROWN: I have, on my web page I have... (continues in background, inaudible)

KINSOLVING: All right, let's go! Let's go! Let's go to Charlie in Boston, Massachusetts. Charlie, welcome to WCBM.

CALLER: (inaudible) ...I wanted to thank you very much for being on the line with us this evening. I'd like to go ahead and agree with Mr. Brown that there are many groups out there, for example "We the People" by Lynn Meredith and others that

are not giving good advice. They go ahead and tell people to file zero returns and things like that. Mr. Kotmair's group, Save-A-Patriot, has been exactly on target, and for years now has been able to keep the IRS at bay with my own particular case. Mr. Brown, I'd like to simply ask you, what part of the Internal Revenue Code makes me — a citizen living and working here in the United States not involved in alcohol, tobacco, or firearms — liable that I have to file a return, sir.

BROWN: Well, I — I read regulations on filing, I mean, Internal Revenue Code refers to filing... [*Waffle, waffle...*]

CALLER: ...the section that says I as a citizen, not working in a restricted occupation, that I must file?

BROWN: (long silence)

KOTMAIR: Where's it at, Alvin?

BROWN: (longer silence)

KOTMAIR: Where's the withholding of income tax at, Alvin? Do you know where that...?

BROWN: Let me, let me change the question, because this is, you know, it's a — it's a trick, semantical question. [*Need we even comment?*]

BROWN: The question is — but isn't, isn't the question, shouldn't the question be has anyone won on that argument?

KOTMAIR: What argument?

BROWN: (initially talking in background, inaudible) ...have you ever won on that argument. Now we've had the Internal — I mean, hallelujah, tell all America today that there's a loophole in the Internal Revenue Code and nobody has to pay federal income taxes. Certainly if you're not a citizen, I mean, if you take your point to its logical conclusion that everybody listening to this show doesn't have to pay their federal income taxes, if that's where you're going, you know, that's silliness. I mean, this isn't going anywhere, you're teaching Americans to do this, they're going to be beaten up by the IRS... [*Once*

again, Alvin does not appear to care if the IRS and/or the courts are acting outside the law...]

KOTMAIR: Can I ask you a question? Where do you find the withholding of income... (in background, inaudible)

BROWN: I don't want to get into a semantical issue with regard to the Internal Revenue code. It's just not, that's not, it's really can you prevail in the courts on the issue, and tell me where you have prevailed on making that argument.

KINSOLVING: Now wait a minute, wait a minute John — John, he asked you a question, where have you prevailed in the courts?

KOTMAIR: I just gave him an example, 1996 in Baltimore — it's on our web page,

KOTMAIR: *Where's the withholding of income tax at Alvin? Do you know...?*

BROWN: *...this is...a trick, semantical question.*

go read the order.

BROWN: That's not the — the matters that he was describing with respect to himself did not... (multiple voices, confusion)

KOTMAIR: ...It was a criminal allegation, Mr. Alvin Brown, a criminal allegation that I was not withholding, and I'm still not!

BROWN: ...The issue of the holding is different from the issue of paying. [*After 30 years of practicing tax law for the IRS, why can't Alvin see the obvious connection here?*]

KOTMAIR: Well why is it — if I'm supposed to withhold within the law, where is the law?

BROWN: ...tax liability, you might have

\$300 in annual income and the rest comes to you under the table. I don't know anything about your life...

KOTMAIR: ...I don't withhold from the employees, why am I not doing that, Alvin? (continues in background, inaudible)

BROWN: You're taking your own case, you know, you have control of all the facts... You're not addressing, I mean, the point on the table is whether Americans can interpret the Internal Revenue Code so that they don't have to pay federal income taxes... (continues in background, inaudible)

KOTMAIR: You don't interpret the law, have you ever heard of the vagueness doctrine, Alvin? Let me read you from Black's Law Dictionary the vagueness doctrine.

BROWN: I'm sorry?

KOTMAIR: "Under this principle, a law which does not fairly inform a person of what is commanded or prohibited is unconstitutional and violative of due process." You have to be able to understand the law, Alvin, because if you can't understand the law you can't obey it. Laws are not interpreted. They're written in plain, clear English.

BROWN: ...What I can do for you is to give you citations of multiple cases... [*"One judge lies and the next one swears to it" seems perfectly fine with Mr. Brown!*]

KOTMAIR: I'm not talking about court cases, just talk about the Internal Revenue Code itself!

BROWN: ...I've started posting some of those cases on my web site.

KOTMAIR: Alvin, did you ever look at the Code section for the withholding of income tax?

BROWN: I'm sure I have, you know, I can't memorize if from, uh, you know...

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KOTMAIR: Well, you want me to tell you where to find it? You find it in Chapter 3, there's Section 1441, withholding from non-resident aliens; 1442, withholding from foreign corporations; and 1443, withholding from foreign tax-exempt organizations.

BROWN: ...Section 61 of the Internal Revenue Code says that you have to report, uh, all of your income. (continues in background, inaudible)

KOTMAIR: Where — where do you find in Chapter 3 withholding from citizens, Alvin, can you find it?

BROWN: I don't want to argue about the Internal Revenue Code, I want to get an argument whether or not...

KOTMAIR: Alvin, where do you find the withholding of income tax in Chapter 3 from citizens, can you tell me what Code section?

BROWN: (silence) [Alvin? Alvin? ALVIN!!!!]

KOTMAIR: It's not there! (continues behind Brown, inaudible)

BROWN: Uh, look. The question is, have the courts addressed that issue. The answer is they have addressed that issue. Now, I'm — I'm not the Supreme Court, I'm not a circuit court, I'm not a district court.

(Station Break)

KINSOLVING: ...Let's go to Craig in Baltimore City. Craig, welcome to WCBM.

CALLER: Uh, after listening to both sides here, it seems to me that the man that's been with the IRS for 30 years is not able to answer what the law and what the Code actually says. He, uh, alludes to a lot of invective, poisonous kind of statements by trying to make John Kotmair look like he doesn't know what he's doing, but John *does* know what he's doing. I've been to his meetings. He knows the Code inside

and out, probably better than anybody on the IRS code. But adding to that I would just like to say, ask John, uh, you know anything about this guy "Steve," uh, up there in Colorado or wherever it is, uh, why he lost. Can you tell us how many cases you all have won, not including yourself, your own case, your own particular case, but other cases of your Patriot members. How many have lost, how many have won, and why do you lose, and why

KOTMAIR: *Can you attribute that [bogus arguments] to the Save-A-Patriot, or is it from others?*

BROWN: *Uh, you know, there's more than one, it's, um, uh, I've heard the, uh, you know, I don't go investigate these, uh, these things...*

do you win.

KOTMAIR: I went to the administration department here at Save-A-Patriot and I asked him for the, uh, "Steve" from Colorado. And they couldn't come up with any "Steve" ever as a member from Colorado. So I don't know if it's fictitious or what. Quite possibly he could have used some other name, I don't know. But what is said there, if you read it carefully, uh, there's nothing wrong with what he said. Except for, it's in no way possible it could cost 10 or 15 thousand for our services. That's a real exaggeration.

KINSOLVING: How much do you charge for your services?

KOTMAIR: Well — we charge 35 for a request, or for a petition, or for a response; whatever the rules require to be done. What we're actually doing is — we're building prima facie cases of violation of due process because the IRS is not using the law, probably because they have no knowledge of it in their assessment proce-

dures.

BROWN: Les, let's assume that I'm the biggest tax dummy in the universe. Let's just go with that. Let's forget about my history as an interpretative tax lawyer and a skilled tax lawyer. Let's assume that I'm a dummy. Then I would simply ask you to look at the cases, which I've been asking these people to do. I read the cases. And anyone can read the cases, they're a matter of public record. And, I, uh, these people who make these frivolous semantical arguments lose them in the courts. There are always some unique, uh, arguments; this thing about the citizen, where in the code am I a citizen, [?????] that issue has been made, that argument has been made over and over and over and over again and the courts just rule against them.

KOTMAIR: (laughter)

BROWN: ...My problem is, is uh, as a human, as an American is I feel very badly that I'm getting these people, that I'm getting help calls from people, help me with the problem, I owe two, three hundred thousand dollars to the IRS, they owe 50 thousand to the IRS, how can I get this tax liability down. And I proceed to help them get their tax liability down after they've been devastated. A lot of them have relied on information of the kind of argument we've heard tonight, and I know for a fact I have clients I can give you the names of who tell me they've spent three, four, five, six, seven thousand dollars, and....

KOTMAIR: Can you attribute that to the Save-A-Patriot, or is it from others?

BROWN: Uh, you know, there's more than one, it's, um, uh, I've heard the, uh, you know, I don't go investigate these, uh, these things. I just hear, uh, I've the, uh, Save-A-Patriot movement mentioned, and there's other names mentioned who are in this commercial business of selling this, this misinformation...

KOTMAIR: I say, he cannot attribute anything to us. We have not raised one "argument" here tonight. He's talking about raising — we've never raised any argument... All we've been talking about is the law. I made a 12-hour video, lecturing on the law called *Just the Facts*. Not one

opinion in it. All we do is show the law. Every attorney that's seen that has come here and said "you're totally correct." We had one attorney in, uh — who's now a member — from Shreveport, Louisiana, who kept telling this member down there, these are a bunch of kooks; he was talking just like Alvin was, and the member kept saying to him "just watch the videos." So finally, after two years of persistent invitation to watch the videos, he did. And he called me up afterwards and says "You've taught me more in those 12 hours than I learned four years in law school." We have two attorneys coming this weekend, who just watched the videos, one in Minnesota and one in Ohio, coming here to have a meeting this weekend just to meet me and talk, congratulate me on those videos about the law. All we talk about is the law. We don't give any fallacious arguments. Just the law. We don't advocate people do *anything*. We have *never* advocated people do anything. All we do is teach the law.

BROWN: And you, do you sell...

KOTMAIR: You don't know what we do, Alvin.

BROWN: Do you sell the video?

KOTMAIR: Well, sure. The videos are educational material. Of course we sell them, but it doesn't advocate anything, it just shows the law.

BROWN: You're trying to make money off of Les' audience by, by, you know... (Brown continues in background, inaudible)

KOTMAIR: I'm not making money off of Les' audience. All I'm doing is telling you factual things, we have not raised one argument.

KINSOLVING: ...Let's go to Todd in Hampstead. Todd, welcome to this, uh, "gentle" discussion.

CALLER: Mr. Brown, you've hung in there a lot longer than I expected than anybody would, and it's been quite interesting. But, Mr. Brown, I just want to confirm a couple of things before I make a few statements. Um, your background is with the

IRS, is that correct?

BROWN: That is correct.

CALLER: OK. Um, it's obvious as a listener, and I'm no attorney, no tax expert; it's obvious that you cannot, you personally have not been able to give some evidence of your specific knowledge of certain tax codes. And hey, I'm not knocking you for that, OK? ...What I want to make a point of is that you've made it very clear,

CALLER: ...*The problem really is that there is misapplication of the law and people are being damaged unfairly, illegally, and I think that's what Mr. Kotmair's group has been trying to make people aware of.*

and I commend you for this, as you pointed out there is a serious problem because you're getting a lot of phone calls about people that are in trouble. I assert that the problem is because there have been misapplications of the law, not because what Mr. Kotmair asserts is incorrect, or he is doing something, uh, illegal. What — what I, my take on from what you've said is that there is a tremendous problem with the court cases that you've seen. I think that Mr. Kotmair would agree that there is a tremendous problem with people coming out on the losing end. Not because they weren't right. Not because they weren't obeying the law. Just because of the certain circumstances that have taken place. I would also like to say that a lot of times when a case develops it is dropped before it gets to a point where there is an outcome in that case, because the IRS feels they don't have a significant chance of winning. Would you agree that that happens very often as well? [*It would seem that Todd has broken the code!*]

BROWN: Not on these kinds of, uh, protester issues. They will never drop a protester issue. [*Brown once again ignores the fact that SAP prevailed on so-called*

"protester issues."]

CALLER: Well, I think you're saying that some things are "protester issues" more than what they really might be, which is just someone who doesn't feel they have an obligation to do certain things according to the law, and not necessarily because of a protest. As I understand it a "tax protester" is a specifically defined activity, uh, in the code. Would you agree with that? Things that make one a legally defined "tax protester."

BROWN: I hate to talk in generalities. But if you're saying that, uh, if — I'm speaking to the issue where people are advised they don't have to pay federal income taxes.

CALLER: Well, I'm...

BROWN: I mean, I think that's really disgusting to tell people that.

CALLER: I think what the true issue is there are people who are being told what the laws are, they're being taught what the laws are, and they seem to make up their own mind. Now, whether or not their position is that they end up getting prosecuted or get in trouble because of something that happens to them after that, that is very unfortunate. And unfortunately, people are injured. Citizens are damaged and injured financially as well as, you know, in every other way you can imagine. That doesn't mean it's wrong for a person to try to live according to the law, if they are living according to the law. The problem really is that there is misapplication of the law and people are being damaged unfairly, illegally, and I think that's what Mr. Kotmair's group has been trying to make people aware of.

(Station Break)

KINSOLVING: ...Let's go to Maureen in Catonsville...

CALLER: Alvin, you know, seems to have been a former IRS man, and yet he seems not to be able to answer John's questions about the Code. And I was really hoping to get some answers on this. And, you know, he's talking about he's got clients

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here and he's got clients there. And yet if

he can't answer a basic question, how can he help his clients? You know, I just don't know...

BROWN: Uh, you misunderstand me. I will stipulate anything you want about the knowledge of the Internal Revenue Code, uh, or the tax regulations. The Internal Revenue Code is in two volumes right now that I have from Commerce Clearing House. And I have regulations that are five volumes of regulations Internal Revenue Code. Um, frankly, there's not a single person in this country that can tell you sentence for sentence, word for word, the meaning of anything there... [You don't need to memorize the entire code, Alvin, to find the sections concerning liability and requirements that everything else is based on!]

KINSOLVING: Except John! Except John!

KOTMAIR: That was a slam!

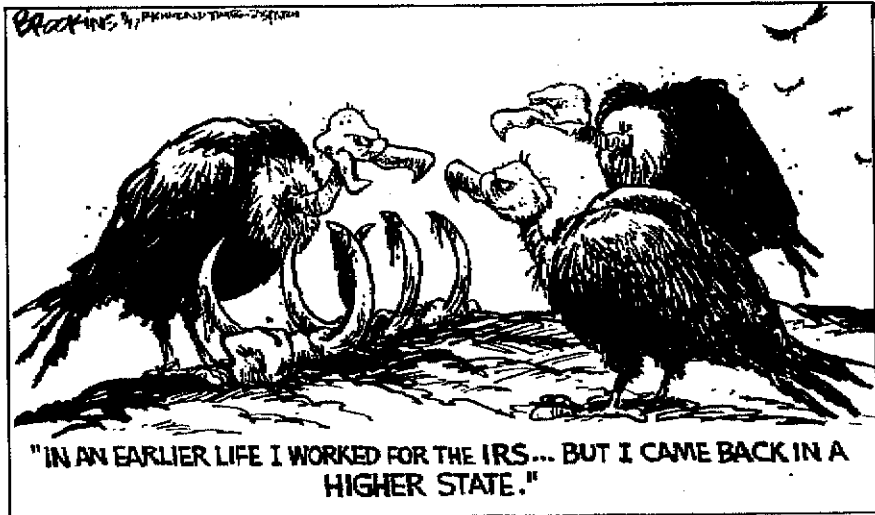
KINSOLVING: Why? What do you mean it's a slam? I wondered if you *knew* all of these things. Can you answer any question about what's located where in the IRS code?

KOTMAIR: ...I know the Code sections and what they say that are pertinent to our subject matter.

KINSOLVING: Listen, John, we'll get you back! We'll get you back, it'll be fun. [End of show]

A BRIEF ANALYSIS

It quickly became evident as this



radio program progressed that during his 30 year tenure with the IRS, Mr. Brown had never actually laid eyes on any section of the Internal Revenue Code that actually imposes a federal income tax liability upon U.S. citizens, requires employers to obtain EINs, or requires employers to withhold from their workers.

Note that during the show, Mr. Brown went so far as to ridicule the very idea of knowing where in the Internal Revenue Code such requirements might be found. Of course, he misses the point entirely. "What page" these items would be found on is irrelevant. What is relevant, however, is that when one attempts to locate such sections they are nowhere to be found!

This is a very common phenomenon amongst even the most seasoned "tax professionals." They spend their entire professional lives assuming that federal income tax liability and requirements for U.S. citizens exist in the Code, and concentrate only on misapplying the remaining morass of statutes and regulations. Their views are built on a foundation of quicksand.

In addition, Mr. Brown seems fond of practicing "guilt by association."

Despite his vitriolic remarks about SAPP "selling buckets of poison," he openly admits to not knowing anything about the Fellowship's research, positions, or teachings. But because there clearly are people making frivolous arguments in this area of the law, he assumes that anyone who challenges "what everyone knows" is a charlatan.

It was also quite evident that Mr. Brown's only concern is with court decisions, and he does not really care what the law itself might have to say. As the saying goes, "One judge lies and the next one swears to it." Brown seems to have no problems with this. As with most people in his profession, and even the public at large, he is incapable of making the intuitive leap required to realize that many of the "court decisions" he is so fond of are made in contradistinction to the law because we are suffering under the rulings of a corrupt judiciary.

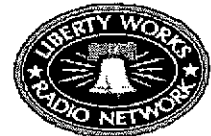
This is truly a situation worthy of the old fable, "The Emperor Has No Clothes." "Everyone knows" the Emperor wears the most elegant finery. Few have the ability to recognize that he actually wears nothing at all. Our job is to continue opening peoples' eyes to the truth. That is,

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IRS Agent Loses Cool Over NWRC Letter

By Jim Kerr, NWRC Investigator

Recently I had an interesting call from a Mr. Klyzer, an agent of the Internal Revenue Service. He objected to our new National Worker's Rights Committee (NWRC) withholding letter because he felt it was erroneous.

Before I continue, for those who are unfamiliar with the NWRC I will briefly explain what it is.

The NWRC is a subsidiary of the Save-A-Patriot Fellowship, and exists for the purpose of writing letters to employers, contractees, lawyers, government officials, etc., where unlawful withholding from the monies of members, or violation of their rights, are at issue. (The name NWRC has a more "socialist" ring to it than Save-A-Patriot, which, sadly, seems less frightening to many of the recipients.)

Now, back to agent Klyzer. He said that withholding was required against *all* people working for a living in this country.

"What statute creates this requirement to withhold against citizens working for a living in the 50 states of the Union?" I inquired. He stated that section 3402 (of Chapter 24 of the Internal Revenue Code) did.

"But it only requires withholding from an *officer, employee, elected official, or the officer of a corporation,*" I replied. "It says so right in section 3401."

However, Mr. Klyzer did not agree. He said that I was not reading this law correctly. He also stated that, more significantly, the courts did not interpret it that way.



"But Mr. Klyzer, that is what the law says. And I do not need the courts to interpret the law, because it is written in plain English. And if the law was so unclear as to require 'interpretation' it would be void for vagueness," I said. This is where it got interesting.

Mr. Klyzer, now speaking in a condescending tone, informed me that "if you were to ask any attorney or judge, they would all tell you that it is our courts that make the law."

I nearly fell out of my chair upon hearing this assertion! I replied, "Well, surely you have heard about Article I, Section 1, Clause 1 of the Constitution – you know, the very first thing after the Preamble? That says our laws are made *only* by the legislature. It says nothing about our

courts making law."

The conversation was beginning to get tedious, so I said, "OK. Are you saying that withholding is required by law from all citizens?"

"Right."

"And you are saying that it is a crime not to withhold?"

"Right."

"Well, OK Mr. Klyzer, I would like to report myself because I have no withholding against me. I have no W-4 form, and my boss doesn't withhold from anyone! My name is James William Kerr..."

I could now hear the quaver in his voice as he demanded my Social Security Number. "I don't have one," I said.

Clearly, this man wanted me to stop sending these informative letters. He began with an arrogant tone of voice, trying to make me believe the legal basis of the letter was unsound. When I started talking about the law *as it is written*, he changed his tactics, now using a more friendly tone of voice. He was trying to make me believe, in essence, that it was silly to talk law because we are a conquered nation where judges make the laws from their benches; and that our Constitution was obsolete and the written law has no effect. Then, when I mocked him by reporting myself, he realized that he was not having the desired effect, so he levied empty threats and hung up on me.

Evidently, Mr. Klyzer has never heard of SAPF. If you read this, Mr. Klyzer, I cordially invite you to attend our meetings. After all, stupidity is forever but ignorance such as yours can be cured.

Letters, continued from Page 14

On Case Work

John: Just re-read your letter of July 6 in re policy change on Case Work. Hooray! I have often wondered how much the Fellowship has lost on non-pay and late pay. Lord knows there were times when making a payment was quite difficult for me, so I presumed there were others who simply didn't. I also get a lot of slow/late/no-pay through my office, so I understand both sides. I support your deci-

sion 100%.

I do hope that the purpose of case work will be defined more clearly to new members and outsiders. I work with people like Vern Holland and Brett Bough on non-member cases from time to time. They persist in believing that the Fellowship offers case work to "solve" the member's IRS problems. Then they assert in a disparaging tone that "letter writing campaigns don't work." I have explained to all the above that the "letter writing campaign," as they call it, is not presumed to stop the IRS, but merely to document

their refusal to comply with the law at any juncture or stage of their so-called "investigations." I've explained that this documentation provides ample admissible evidence of wrongful collection practices, as well as an excellent foundation for Privacy Act and FOIA plaintiff's suits. I am preparing one now on my own case, thanks to the hundreds of superb letters the Fellowship has drafted on my behalf over the last few years. Your courage and commitment to truth, liberty, and civility are inspirational to me. God Bless you John Kotmair. --P.G. (J.D.)

Dear Mr. and Mrs. America

DO YOU HAVE TO FILE A FEDERAL TAX RETURN OR PAY AN INCOME TAX?

Q: THESE EXPERTS SAY "NO"!

THE ORIGINAL CONSTITUTIONAL PROHIBITION OF A FEDERAL INCOME TAX

- 1. THE ORIGINAL CONSTITUTION PROHIBITS THE CONGRESS FROM IMPOSING A DIRECT TAX ON THE PEOPLE.** Article I, Section 9, Clause 4, of the U.S. Constitution states: "No direct tax shall be laid without the assent of the Congress."
- 2. OUR INCOME TAX VIOLATES THIS ORIGINAL PROHIBITION AS A DIRECT TAX.** The Supreme Court and numerous federal courts have declared it to be a direct tax.
- 3. THE IRS IS A FEDERAL AGENCY AND HAS NO AUTHORITY TO IMPOSE A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).
- 4. THE CONSTITUTIONAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE IS NOT A TECHNICAL MATTER.** It is a matter of principle. The original prohibition was not intended to be circumvented by the states.
- 5. THE 16TH AMENDMENT DID NOT REMOVE THE ORIGINAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).
- 6. THE 16TH AMENDMENT DID NOT REMOVE THE ORIGINAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).
- 7. THE 16TH AMENDMENT DID NOT REMOVE THE ORIGINAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).
- 8. THE 16TH AMENDMENT DID NOT REMOVE THE ORIGINAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).
- 9. THE 16TH AMENDMENT DID NOT REMOVE THE ORIGINAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).
- 10. THE 16TH AMENDMENT DID NOT REMOVE THE ORIGINAL PROHIBITION OF A DIRECT TAX ON THE PEOPLE.** The 16th Amendment removed any need for apportionment among the states that otherwise would have been required by Article I, Section 9, Clause 4. See United States v. Leary, 458 U.S. 897 (1982).



This message is part of PROJECT 2020, a plan to educate millions of citizens (along with accountants, tax attorneys, legislators, judges, IRS employees, and protest jurors) about the true nature of the income tax laws to expose operations of the IRS that are unauthorized by law, and to put an end to their illegal collection of taxes from people who do not owe them.

Jefferson said it best, "When the government fears the people, you have liberty. When the people fear the government, you have tyranny."

Sponsored by We The People Foundation For Constitutional Education, Inc., 2453 Ridge Rd., Queensbury, NY 12280. www.thelibrary.com or mailto:each@central.net (518) 656-3578 Fax (518) 656-9724

APRIL 17TH IRS WALK-AROUND MEETINGS

What most fear people do when faced with a government that has stepped outside the Law and the Constitution.

At 8:00 a.m. on Monday, April 19th, we will hold a special "walk-around" of the IRS building in Washington, D.C. Your participation is requested to give us the message that the People do no longer tolerate the illegal operations of the IRS.

Please see our website at www.thelibrary.com for more information on times, agenda, hotels, etc.

Freedom is NOT a spectator sport. That's why tens of thousands of dollars. If you want to do more than just PLEASE HELP: If you've ever owned a car, you can contribute just a few dollars as we reach millions of dollars and this by itself.

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The 17th Daily News Liberty Works Radio Network
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One listener will change our lives.
Twelve hours of our message, two hours of truth about the income tax.
Bill Schultz of We The People and John Kotzmar of Save-A-Patriot Fellowship
will be live on the radio, discussing business owners and every other Americans, then
on April 17th, they will discuss the IRS to you.
Listen to www.thelibrary.com
or call toll-free (888) 999-1787 to have your questions answered.
You'll not believe what you'll hear.

Save-A-Patriot Fellowship
Post Office Box 91, Westminster, Maryland 21158
Tel. (410) 857-4441 / FAX (410) 857-5249

[REDACTED]

[REDACTED]

[REDACTED]

In the next few weeks I will be converting your case file over to a new system called the Case Management System (CMS). The following documents are enclosed for your information:

- Case Management System: Questions and Answers
- Outline of Anticipated Correspondence
- Communication Bridge No. 1
- Communication Bridge No. 2

If you have any questions after reading these documents, please contact me by telephone.

Shon, your caseworker

Exhibit 8

Case Management System: Questions and Answers

What is the Casework Management System?

The Casework Management System (CMS) is a revision of both the Fellowship's methods of case file maintenance and communication with members concerning their case. Innovative techniques in efficiency and accuracy have been applied to all actions being taken by caseworkers handling members' cases. These actions include routine communication with members who call or write about their casework and issuance of summary reports to members based on a monthly review of their case files. Generating CMS reports to members assures members and the department supervisors that work is being completed timely and accurately. Simplified file summaries have also been implemented, allowing more comprehensive reviews of entire case files, both by supervisors as well as paralegals or attorneys preparing a court action in the future.

Why develop a Casework Management System?

For some time, due to staff and financial limitations, caseworkers have not engaged in out-bound telephone calls or written letters to members explaining the actions being taken in their case. This need has been met, to a certain degree, by caseworkers sending members copies of all work done for them. While this did not always give a comprehensive understanding of the direction or status of their case (we cover procedures and the law more fully in our video presentation *Just The Facts*), it was the best method available at the time due to limited resources and the large demand for members' legal work. To revise these procedures as the opportunity presented itself, the CMS system was devised to inform members monthly on the status of their casework.

The second reason for developing CMS is the fact that many of the cases being handled by the power of attorney department have required further development even after the IRS has stopped their active pursuit of the member. Even though members receive fewer IRS notices after the IRS completes their assessment process, nearly every case demands continued casework to finish documenting wrongful procedure. Before a court action can be filed to expose the wrongdoing, all appeal options must be exhausted and all necessary evidence of the wrongdoing must be obtained. Many members are not aware that the "show must go on," and often interpret the filing of a Notice of Tax Lien as a personal defeat. For some reason unaware to us, possibly due to the professional and convincing casework done in their case, it seems they expect an easy resolution within the IRS. What they don't realize is the fact that only when the IRS attempts collection do they have grounds to file suit and expose this wrongdoing. In fact, members should expect the IRS to attempt collection; the primary reason the Fellowship

developed the power of attorney program was in anticipation of this event! Conveying the fact that our purpose is ultimate victory, and that the primary purpose of casework is the preparation of a case for court, can only be done through regular communication with a member. Monthly summary reports apprising them of the status of their casework will go far to involve members in the work being done for them and show them that they are not alone in this struggle. (For a more thorough understanding of the purposes behind case work, read the attached *Communication Bridges* documents 1 & 2.)

How are the expenses for CMS services and letters apportioned? (did he say apportioned?)

Costs of casework have always been billed to members based on Fellowship resources and staff time necessary to complete each action in a member's case. Currently, power of attorney letters are billed at a flat rate of 48 FRNs each, with a 10 FRN discount if paid within 10 days of receipt of invoice. The cost of converting an existing case file to CMS is 45 FRNs. This fee includes the revised setup and review, and the issuance of a summary report on the case status. Each month thereafter a report is issued and billed at a rate of 15 FRNs. This cost covers both the file review and issuance of the report, as well as any other actions taken by the caseworker on a member's case during the month that did not directly result in a letter being written. These actions would include speaking with the member by telephone and in writing, and reviewing mail and notices relating to a member's case that don't require answering.

When is a file transferred to CMS?

Currently all new members are transferred onto CMS at the time that we begin power of attorney work on their behalf. Their first step is to speak with Mark, Head Caseworker, who discusses the facts of their case and initiates their case file. They are then sent introductory information including blank power of attorney authorization forms. The cost for the first-time initiation of a case file, which includes the conversion to CMS described earlier, is currently 100 FRNs. Members who are currently having casework done on their behalf are gradually being converted over to CMS.

Outline of Anticipated Correspondence

For use as a reference for cases in the CMS system

This is a general overview of the expected sequence of IRS letters/responses for investigations being conducted by the power of attorney department. It cannot, due to the unpredictable nature of IRS replies, account for all correspondence that may be necessary to exhaust a member's administrative appeal and prepare their case for court.

PHASE I - IRS NOTICE INVESTIGATION

REQUEST FOR MEETING or FIRST-PARTY "SUMMONS"

Appeals response

Privacy Act request for Individual Master File "Specific"

REQUEST FOR TAX RETURN

Appeals response

3RD PARTY "SUMMONS" TO PRODUCE DOCUMENTS

Member speaks with an SAPF Paralegal about filing a Motion to Quash within 20 days of notice.

30-DAY NOTICE - NOTICE PROPOSING CHANGES / ASSESSMENT

Request for Appeals Conference

Privacy Act request for examiner's notes (Form 4665, etc.)

Privacy Act request for a copy of Substitute for Return

Appeals request for "Substitute for Return" authority

Privacy Act request for AIMS processing documents

90-DAY NOTICE - NOTICE OF DEFICIENCY

Request for Appeals Conference

Privacy Act request for "sources" of income documents

NOTICE "WE CHANGED YOUR ACCOUNT - YOU HAVE AN AMOUNT DUE"

Appeals response

IRS SENDS PROMPT ASSESSMENT BILLING ASSEMBLY

Appeals response

NOTICE OF INTENT TO LEVY

Request for Appeals Conference

Privacy Act request for "authenticated supporting documents" (IRC § 6065)

FINAL NOTICE OF INTENT TO LEVY

Request for Appeals Conference

PHASE II - IRS INTERNAL DOCUMENT INVESTIGATION

Privacy Act request for Certificate of Assessments and Payments

Privacy Act request for Notice and Demand for Tax

Privacy Act request for Individual Master File "Complete"

Privacy Act request for Form 23-C Assessment Supporting Document Request

Privacy Act request for Form 870 Agreement

Save-A-Patriot Communication Bridges

Bridge #1: Facts You Should Know About S.A.P. Power-Of-Attorney Casework

Have you ever met someone who seems to have all of the answers but really doesn't know what the questions are? If so, then keep that in mind as you read this letter!

We have found that many members (especially those who are new to the Fellowship) simply do not understand what our power of attorney program is all about. Some are so naive as to think that one letter from SAP will make the IRS go away. I assure you, that is rarely the case. In fact, to put it as bluntly as possible: when we write a letter to the IRS we do NOT even try to make the IRS go away! If you are confused by that statement then this letter is for you—so please read on...

You're probably asking yourself: "*If the caseworkers at SAP are not going to make the IRS go away, then why am I giving them power of attorney?*" Indeed... the purpose of this letter is to answer that very question and that is why the information contained in this letter is so important. If you want to assert your rights it is absolutely imperative that you know what to expect and that you understand the purpose of the power of attorney program. If you are unable or unwilling to invest the time necessary to understand the process that is about to occur, or what we will be doing to help you, then you will either give up in despair or you will get angry at us because of your own misperception. Please don't put yourself in that position.

The situation is this: One hundred thirty years ago, during *The War Between the States*, Congress passed what was called *The Anti-Injunction Act*. The effect of that legislation was to prevent the Courts from interfering with the actual collection of a tax, and as you might suspect, it complicates matters for people like you who want to assert their rights. The average member thinks: "*Since the income tax is limited in application and since my income is obviously not the subject of the tax, why not just ask the Court to enjoin the collection of the tax?*" And, that's a good question... but (if you remember how we started this letter) that's NOT the question you should be asking. Instead, ask yourself: "*How can the Court enjoin the collection of a tax when the Anti-Injunction Act that we just mentioned prevents them from doing so?*" The answer is: They can't, and that's why we don't ask the Court to prevent the IRS from collecting a tax. However, the Court does have the jurisdiction to review the IRS assessment procedures to make sure that these procedures were followed.

That being the case... If you are not the subject of the income tax and the IRS has errantly sent you an inquiry, then you have what is called an administrative remedy. These administrative remedies ensure that a person, like yourself, will receive what is called "due process." And, they exist in the form of legal requirements that are imposed on the IRS so that the law will be applied properly. But of course, whether or not those requirements prevent the IRS from hurting

someone depends entirely upon whether or not the individual in question makes the proper protests and/or other requests that are necessary to obtain relief. Do you know the specific remedy for any given IRS inquiry? Probably not! But more important, if you don't know what they are, then how can you possibly pursue them?

When we represent you that is exactly what we do. We request the remedy that is available under the law. So you ask: "*Does this make the IRS go away?*" No—not necessarily! But then, it is NOT intended to make the IRS go away! You say: "*Well... if it doesn't make the IRS go away then why bother???*" The answer is very simple: knowing that most IRS employees are ignorant of the law and that they will probably not go away, you are building a case to show the court that the IRS has in fact violated the law that was supposed to give you the remedy you were entitled to.

The important point to remember is that... if you never bothered to make the request in the first place, then the IRS has no requirement to violate and it is presumed that they are doing things correctly. The issue before the Court is NOT whether your income was the subject of the income tax. Rather, the issue before the Court is whether you received due process—and that depends on whether you requested the remedies that were available to you and whether the IRS gave you the opportunity to pursue those remedies. The correspondences that we forward to the IRS on your behalf cite specific administrative due process requirements that impose certain legal obligations on the IRS personnel involved. This effectively puts the IRS employee in a position where he must stop the improper assessment procedure or violate the law in order to move forward with collection. It has been our experience that most IRS employees ignore these legal obligations. However, when they violate those laws relating to due process, a lawsuit becomes possible. But... only if you can document the denial of due process, up to and including, for example, the IRS's failure to send a proper Notice and Demand. That is what we do when we take power of attorney.

So now you might ask: "*How much does it cost to document the denial of due process and what happens after it's documented?*" The answer is: We charge 45 FRNs per letter plus certified mail costs, for each piece of correspondence that we generate. This drops to 35 FRNs per letter when paid promptly. Sometimes, we do as many as three or four letters per month and sometimes we don't do any at all. However, after that process is complete, and you have exhausted your administrative remedies (assuming the IRS ignores them) then a lawsuit can be filed in order to obtain relief.

Some people get halfway through the process and think that since the IRS hasn't "*given up,*" we must be doing something wrong. Nothing could be further from the truth. The IRS is not going to give up until the Court forces them to give up. Why? Because the IRS counts on people losing their resolve. They count on people being financially unprepared to move forward with a suit. And you know what? The IRS is absolutely correct because a lot of people do just that! If you really want to assert your rights then you need to prove to them that they're wrong! If you want to assert your rights you need to set aside the funds that will be necessary to take that legal battle into Court—and when you do, you've got to have the documentation we've been talking about.

We have struggled for some time with a communication gap. For whatever reason, despite the newsletter that we publish, we have been unable to get this concept across to some of our

members. This letter is the first of a series of standard "member letters" by which we hope to remedy that communication gap. If it has helped you to understand what we are doing, if it has helped to encourage you and/or more fully prepare you for the future we would appreciate hearing from you, either verbally or in writing. We thank you for the truly magnificent stand that you have chosen to take and the efforts that you have put forth thus far. And we pray that you will continue to hold the IRS to the law, if not for yourselves then for your country and for a better future for your children.

If you have any further questions, please call your caseworker at 1-410-857-4441.

Save-A-Patriot Communication Bridges

Bridge #2: Facts about IRS Responses to S.A.P. Power-of-Attorney Casework, or "Why Do They Do the Things They Do?"

Have you ever wondered why, once the Power of Attorney department has responded on your behalf, the IRS either fails to respond, or sends you back a response instead of replying directly to us here at the Fellowship? Have you ever failed to forward any of these responses to us because you expected a different response from the IRS, or thought that the replies were inconsequential? Have you ever wondered what in the world was "going on" with your case in the Power of Attorney department? If so, these and other questions you may have will be addressed in this edition of *Communication Bridges*. Read on, as this applies to you!

The purpose of this memorandum is to elicit your cooperation in the building of your case and to further explain what is necessary for the Power of Attorney department to move your investigation forward. Due to the tremendous workload and time constraints that we face daily, our dedicated staff in this department must constantly keep their attention focused on the development of active cases. If your case becomes inactive, (i.e., when we receive no communication and/or IRS letters from you, or Power-of-Attorney forms), naturally your caseworker becomes concerned, and work on your case may be stopped, as it is not possible for them to continue your investigation without having access to all of the information about your current situation. To continue without adequate feedback from you could weaken your case and be counterproductive.

Have any of the following ever happened to you?

1. You have received no recent correspondence from the IRS.

This often occurs when the IRS has received a letter from our Power of Attorney department. Some members have expressed the belief that "All claims by the IRS must have been 'forgiven and forgotten' since S.A.P. has answered my letters and the IRS hasn't replied." Don't fall prey to this illusory state of complacency, as the IRS may indeed contact you at a later date, and you will want to be as prepared as possible. It is very common to see periods of such "non-communication" from the IRS--some of the longest we've seen being several months or even years. If the IRS has completed an alleged assessment against you and attempted collection wrongfully, and assuming your desire is to challenge wrongful IRS actions even after they may have ceased, this slow time usually requires continued investigative work by your caseworker to prepare for court actions against the IRS employees involved in this bogus assessment/collection. Supplemental to continuing the investigative side of casework, you may also want to use this time

to your advantage by increasing your personal knowledge of tax law. Obviously, the greater your personal knowledge of the law, the more confident and effective you will be in defending yourself against the attacks of those who would take away your freedom. In order for you to stay informed and abreast of the Fellowship's latest successes and the newest developments in our members' ability to pursue due process, please make sure that your subscription to the *Reasonable Action* newsletter is kept up to date. It is an excellent means of self-education, as well as being the primary vehicle for communication with the general membership. Don't leave yourself out in the cold!

2. You received a form letter or other correspondence from the IRS, but chose not to mail it to your caseworker.

Even if it is an obvious form letter, or one that seems unimportant to your case, please forward it to your caseworker despite this; let your caseworker make that determination. He or she has the necessary training and experience to determine if the letter is worthy of a reply. Often, things are not what they seem! Please understand that it is *critical* to the development of your case that you send your caseworker a copy of every piece of correspondence that the IRS sends you, including copies of envelopes, and any attachments included, so that they have enough information to prepare the best response possible. Any response from the IRS, no matter how insignificant or irrelevant it may seem to you, may be further evidence of their unwillingness or inability to address the facts at hand, or may serve to document their refusal to follow proper administrative procedures, or their denial of your due process rights. The invaluable expertise of our caseworkers can save you hours of frustration and worry. Rely on them to help you by giving them all the information necessary to fully document and move your case forward.

3. You received a letter from the IRS and believed "on face value" what was stated in the letter.

As many of you are aware, the Internal Revenue Service has been attempting to challenge Mr. Kotmair's Power of Attorney in certain members' cases for well over a year now. As with many letters members receive from the IRS, it is often important to read between the lines of rhetoric with a healthy dose of Internal Revenue Laws and Regulations to clearly understand the nature of what's being said and whether it is authorized by law. It should be noted that the right to assign Power of Attorney to the person of your choosing *predates the constitution*. In addition to this precedent, it just so happens that Internal Revenue Regulations also allow for John's representation of you before the Internal Revenue Service. In fact, *all of the applicable authorities are cited in every letter we send on your behalf*. As for the reasons for the denial, aside from the obvious political pressure being caused within the agency, several causes can be identified. The nature of poor communications within the IRS accounts at least partially for this type of behavior. Another reason that is often argued by the IRS is the fact that the Power of Attorney authorization form signed by members cannot be entered into their computer system that records representative information. You will probably not be surprised when we tell you that their computer system, and the Form 2848 that they request to be completed, do not comply with their regulations governing representation. Without the ability to record John's status as a bona fide officer of an organized group (fiduciary of Save-A-Patriot Fellowship), pursuant to 31 CFR

10.7(a)(2), they are left with maintaining John's representative information in individual case files. No ability to keep centralized records...sounds familiar doesn't it?

If you do not know the facts regarding the law and Mr. Kotmair's right to represent you, you may very well be misled into believing that he cannot do so. At the same time, certain IRS offices have recognized the authorities we cite, and have conducted appeals conferences with John, showing that the offices denying the POA are in violation of the requirement for uniform application of the law. In this situation, it appears the IRS tries to "reinvolve" the member by convincing them that the Power of Attorney is invalid and of no effect. Don't you think the IRS would like nothing better than to be rid of our constant questions about the law and their wrongful procedures?! We can see the political pressure from our letters building in the IRS, particularly when we see a concerted effort like the form letters created specifically for response to the letters from our Power of Attorney department! Talk about effecting a change in the "system"--we are doing it!!

Our knowledge of tax law is so extensive and our point-by-point responses so complete that IRS agents are incapable of responding to us as their own Manuals direct them to do! There is no answer when wrongful actions are taking place... only the kind of silence that speaks volumes. Our letters therefore, serve the dual purpose of documenting the facts regarding your case and educating anyone who reads them. Assuming your case reaches trial, imagine the impact the evidence we have prepared for you will have when jurors, prosecutors and judges have read the truth about the law! The responses that our caseworkers prepare have been known to affect lives! We have members who were former IRS agents, who after their exposure to our responses and their own study of the law, resigned from "the Service" because they could no longer continue to support the unlawful actions of the government in good conscience! The letters the Power of Attorney department prepares on your behalf do make a difference, and we are in the unique position of monitoring these IRS responses daily.

4. Your caseworker has requested information on your behalf. Some time has passed and no responses have been received from the IRS, or your caseworker has not obtained a satisfactory response to the requests, and has submitted additional letters regarding those same requests.

It is the nature of investigation to take time, and it *does* take time to build your case, as the information we request is very rarely provided in a timely manner. For example, while it is normal for the IRS to reply within six weeks to a letter, in some situations it can take up to a six *months* or longer to obtain a response on any given request. Realizing this fact, it does not serve the member to file continuous Privacy Act lawsuits to force compliance, since the IRS will simply cite excusable delays to the court. So we wait.

Additionally, the investigation on your behalf may need to continue despite the intervals between notices you receive from the IRS. Understanding this will alleviate frustration on your part. If you are unsure of the status of your case, contact your caseworker. The monthly statement program recently initiated will also help keep you up to date on our records concerning your membership.

Save-A-Patriot Fellowship was created so that Patriots could band together to maximize our effectiveness in the fight against tyranny. Therefore, it is vitally important that you continue to keep your caseworker up to date regarding any IRS correspondence received, and keep him/her supplied with current, executed Power of Attorney forms, so that your IRS correspondence can be answered in a timely manner. The knowledge you impart to your caseworker will not only move your case forward, but will also help the Fellowship to assist other Patriots nationwide to assert their rights. Let us hear from you!

Your Fellowship Staff

Concerning:

[REDACTED]

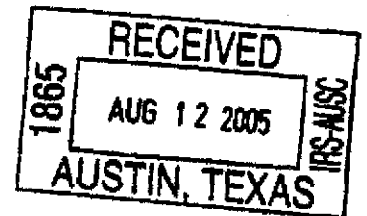
Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR §§ 601.502(a), 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number: 2605-47815R
P.O. Box 91, Westminster, MD 21158

August 8, 2005

Certified Mail No. 7005 1160 0004 9957 1717

Mr. Richard Auby, Director
Internal Revenue Service Center
3651 S. Interregional Hwy. 35, MS 1002 AUSC
Austin, TX 78741



Re: Attached Notice CP-515 concerning the year 2003.

Dear Mr. Auby:

[REDACTED] has given me Power-of-Attorney to represent him for the purposes of your inquiry. Therefore, all future correspondence should be forwarded to me. Please contain all communications to a written form, so that a permanent record can be maintained.

Your Notice CP-515 does not have an OMB Control Number as required in IRM § 21.3.3.3.1, "OMB Codes for Forms," which states in pertinent part:

"1. Public Law 104-13, Paperwork Reduction Act of 1995, requires that the Office of Management and Budget (OMB) approve forms or documents before they are issued.

2. Items that carry OMB information can be classified into two categories:

1. Information Collection Requests (ICRs)—A form, letter, notice, or other document used to request necessary information from at least 10 taxpayers. Each ICR is assigned a unique OMB number.

2. Document Perfection Requests (DPRs)—Also used to request information from at least 10 taxpayers. However, each DPR is not assigned a unique OMB number. Rather, it carries the OMB number of the document it perfects. An expiration date is not required on DPRs. DPRs include: public-use forms, C (SC), and (SC/SP) letters, draft and dictated letters, CP notices, quick notes, and CNOTES.

Example: ICRs include major tax forms and instructions, public use forms, C, (SC), and (SC/SP) letters, draft and dictated letters, and CP notices.

3. OMB number and expiration date must be typed or computer-generated on ICRs.;

It continues at § 21.3.3.3.1(5):

"5. OMB requires that OMB number and expiration date appear in upper right corner of documents.

6. ICRs must contain Paperwork Reduction Act Notice Language."

Page 1 of 3

Exhibit 9

Because of the lack of an OMB Control Number on your Notice, I am unable to determine what statutory authority you are claiming to act in pursuance thereof; and as the United States Court of Appeals for the 9 Circuit stated in *U.S. v. Smith*, 866 F.2d 1092 (1989), any government information request form not exhibiting an OMB Control Number is a "bootleg form" and can be ignored.

Even though this is the case at hand, we are giving you the courtesy of this letter to correct the errors within your correspondence. Therefore, we would appreciate your forwarding an OMB approved information request Notice advising us of your claimed statutory authority for this investigative inquiry. If you are claiming that [REDACTED] is subject to some provision within the Internal Revenue Code, would you please cite in detail that provision and how it relates to him. I am enclosing an example of an ICR letter taken from IR Manual 39(69)0. Notice the select location for the display of the required OMB Control Number.

Further, even if your notice had been approved by the Office of Management and Budget, please be aware of the following facts and laws concerning the alleged requirement for [REDACTED] to file an income tax return:

[REDACTED] is a citizen of the State of [REDACTED] and not a 'taxpayer' as that legal term is defined in IR Code Section 7701(a)(14). With reference to withholding, he is not an alien, foreign corporation, officer, director, stockholder or employee of a foreign corporation, withholding agent, nor a citizen of the United States living and working abroad or in a possession of the United States. [REDACTED] does not reside in a federal enclave within any of the States and/or without the States of the Union, nor does he reside in any federal state.

Regarding a specific requirement to file an income tax return, [REDACTED] read Title 26 United States Code § 6012, **PERSONS REQUIRED TO MAKE RETURNS OF INCOME**, which stated as follows:

"(a) General Rule.—Returns with respect to income taxes under subtitle A shall be made by the following:

(1)(A) Every individual having for the taxable year gross income which equals or exceeds the exemption amount, except that a return shall not be required of an individual ..."

[REDACTED] then went to Subtitle A and found that Chapter 1 was **NORMAL TAXES AND SURTAXES**, that Subchapter A was for the purpose of **DETERMINATION OF TAX LIABILITY**, that PART I of Subchapter A was **TAX ON INDIVIDUALS** and further, that § 1 was **TAX IMPOSED**.

In order to find the proper return to use to report any tax liability he checked **PART 602** of the Internal Revenue Regulations. According to the listing for §1, it appears that the Office of Management and Budget assigned the identifying OMB Control Number 1545-0067 to the tax return to be used. Checking the list of approved forms published by the Office of Management and Budget, it identified that tax form to be Form 2555, **FOREIGN EARNED INCOME**. [REDACTED] has informed me that he did not earn any foreign earned income during this period. If there is some clerical error, or the National Office of the Internal Revenue Service listed the

wrong form to be reviewed on the application for review to the OMB, please notify me and I will relay this information to [REDACTED]

Due to the fact that § 6012 did not list any requirement for Subtitle C, [REDACTED] did not bother to check for any form to be used for employment taxes.

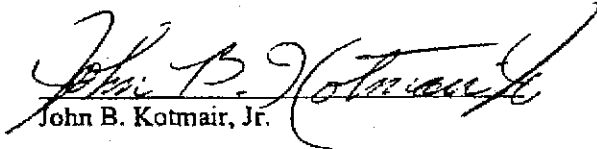
If I do not hear from you within 20 days of your receipt of this response, it will be presumed that the information provided herein accurately reflects the application of requirements to file an income tax return within the Internal Revenue Code. If there is a requirement that [REDACTED] has no knowledge of, please inform me of the IR Code section, and/or make that return pursuant to § 6020(b), under the proper delegation of authority order, sending me a copy of the return so made and the applicable delegation order.

If I do not hear from you within 30 days of your receipt of this letter, it will be presumed that your letter was sent in error and that the matter is closed.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at §601.502(a)(1) and (2), §601.502(b)(5)(ii), and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv); and,
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalties of perjury, I declare that the foregoing is the truth to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of the Notice CP-515 dated June 27, 2005; 2 page sample of Letter 29(SC/SP)(Rev. 12-81), for IR Manual 3900, "SC Correspondex;" copy of 26 USC § 6012; copy of 26 CFR Part 602; copy of Form 2555.

cc: [REDACTED]

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post-Office Box-91, Westminster, Maryland 21158, permission to investigate this matter for me.

I, [REDACTED], a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1990 through and including 2005.

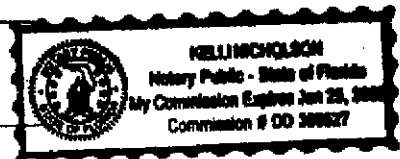
On this 1st day of August, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of Florida, County of Halm Beach, on this 1st day of August, 2005.

Kelli Nicholson
Notary Public

My Commission Expires On: Apr 25, 2009



Concerning:

[REDACTED]
[REDACTED]
[REDACTED] 834

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR §§ 601.502(a)(1) and (2), 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv):

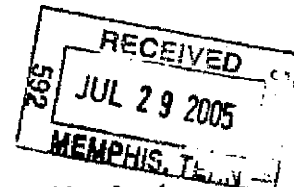
John B. Kotmair, Jr., Representative Number: 2605-47815R
P.O. Box 91, Westminster, MD 21158

July 25, 2005

Certified Mail No. 7005 1160 0004 9957 1342

Re: Attached form Notice CP-518 dated June 13, 2005.

David Alito, Director
Internal Revenue Service Center
Stop 8, 5333 Getwell Road
Memphis, TN 38118



Dear Mr. Alito:

[REDACTED] has given me Power-of-Attorney to represent him for the purposes of your investigation. Therefore, all future correspondence should be forwarded to me. Please contain all communications to a written form, so that a permanent record can be maintained.

I responded to a form Notice CP-515 dated April 18, 2005, on behalf of [REDACTED] on May 27, 2005, and as of this date I have not received a response from your office.

In that response, I stated that your notice did not display the required OMB Control Number, and also that [REDACTED] was not, among other things, a "withholding agent." Therefore he does not have any liability involving Subtitle A income taxes. I further stated that [REDACTED] did not receive any foreign earned income during the period in question, and therefore has no requirement to file an income tax return.

The Internal Revenue Manual states, at § 21.3.3.2, entitled "What is Correspondence?":

1. Correspondence is all written communications from a taxpayer or his/her representative, excluding tax returns, whether solicited or unsolicited. This includes:
1. Written communications in response to IRS requests for information or data
 2. Written communications, including annotated notice responses, that provide additional information or dispute a notice.

Further, § 3.30.123.2.9, entitled "Taxpayer Correspondence," states in pertinent part:

Page 1 of 2



6. All final responses (quality responses) must be initiated within 30 calendar days of the earliest "IRS Received " date. However, every effort should be made to provide quality responses in less time.

1. A quality response is an accurate and professional communication which, based on information provided, resolves the taxpayer's issues, requests additional information from the taxpayer, or notifies the taxpayer we have requested information from outside IRS.

2. A final response is timely when initiated within 30 calendar days of the IRS received date.

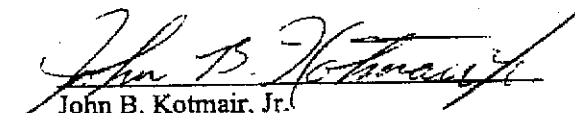
In light of these requirements, will you please inform me as to when I can expect a response to my letter of May 27, 2005?

If I do not hear from you within 30 days of your receipt of this letter, it will be presumed that both TDI Notices were sent in error and that the matter is closed.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at §601.502(a)(1) and (2), §601.502(b)(5)(ii), and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv); and,
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of both TDI Notices; copy of page one of my response dated May 27, 2005.

████████████████████

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

I, [REDACTED], Internal Revenue Service, a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 2000 through and including 2005.

On this 1st day of July, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of Oklahoma, County of Nowata, on this 1st day of July, 2005.

Retha Henry 05004335
Notary Public

My Commission Expires On: 5-5-09

Rev. 12/30/96

Concerning:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

July 6, 2005

Certified Mail No. 7004 2890 0004 1912 2625

Scott B. Prentky, Director
Internal Revenue Service Center
1973 Rulon White Blvd.
Ogden, UT 84404

Re: Alleged "Substitute for Return" for the years 1999 and 2000.

Dear Mr. Prentky:

[REDACTED] has received unsigned tax return(s) alleged to be "Substitute for Returns" for the years 1999 and 2000. A careful examination of the document(s) did not reveal any indication of the underlying authority relied upon by the Internal Revenue Service to prepare and process the tax return(s).

Please identify the specific section(s) of law authorizing the creation of these documents by the Internal Revenue Service.

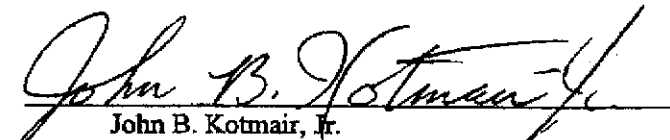
Please reply within 30 days pursuant to Internal Revenue Manual § 3.30.123.2.9.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and

5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of the tax return(s).

cc: 

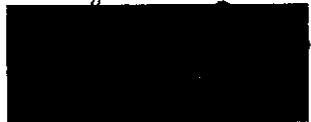
**Privacy Act Release Form
And Power of Attorney**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR 301.6103(c)-1, 26 CFR 601.502(a), 26 CFR 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland, 21158, permission to investigate this matter for me.

I, [REDACTED], a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue service Offices, regarding the following years: 1992 through and including 2004.

On this 27th day of June 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of Illinois, County of DeWitt, this 27th day of June 2005, that the above named person did appear before me and was identified to be the person executing this document.

Bernadette Zenger
Notary Public

10-25-08
My Commission Expires On

not to be removed
219-78-5845

PRIVACY ACT RELEASE FORM AND POWER OF ATTORNEY

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(e)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

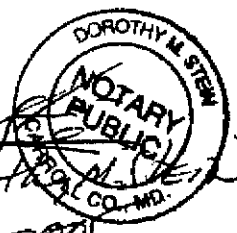
I, [REDACTED], Internal Revenue Service, a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1997 through and including 2005.

On this 11th day of April, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of Maryland, County of Charles, on this 11th day of April, 2005.

[Signature]
Notary Public



My Commission Expires On: October 22, 2008

RECEIVED
SEP 16 2005
FRP 303

Input to EIP master



Concerning: [Redacted]

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):
John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

September 16, 2005 Certified Mail No. 7005 1160 0004 9956 8595

Richard E. Byrd, Director
Internal Revenue Service Center
2385 Chamblee Tucker Road
Chamblee, GA 30341

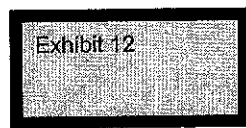
RECEIVED
OCT 05 2005
FRP 303

Re: Letter 2566, dated August 22, 2005.

Dear Mr. Byrd:

This letter is a written protest to the Letter 2566, dated August 22, 2005. It is submitted pursuant to instructions in Internal Revenue Service Publication 5, "Your Appeal Rights and How to Prepare a Protest If You Don't Agree." I want to appeal the examination to the appeals office and I hereby request a conference on behalf of [Redacted] for the year you have proposed an adjustment: 2003. Since this appeal confines its subject matter to challenging the proposed assessment within the scope of the Internal Revenue Laws, as described in Publication 5, an appeals conference is an authorized and available appeal right to [Redacted]. This letter is to serve as the statement of facts and statement of law relied on by the appellant, and the attachment is to serve as the schedule of disputed issues.

First, [Redacted] had no requirement to file any tax returns pursuant to Subtitle A of the Internal Revenue Code (IRC) for the year at issue. According to the regulations published with respect to Subchapter N of that Subtitle, particularly 26 CFR § 1.861-8(f), income must be derived from one of the "specific sources" listed therein (for citizens, such sources are primarily limited to foreign-earned income) before it is considered "gross income" for purposes of the tax laws. None of the amounts shown in the "Tax Calculation Summary" accompanying your letter has been derived from any of those sources. Therefore, no filing requirement was triggered for [Redacted].



If you have determined otherwise, then IRC § 6020(b) provides the procedure by which any such returns are to be made. That section requires all returns made under its authority to be subscribed (that is, signed) by the person making such returns. Therefore, if you are proceeding pursuant to the authority of § 6020(b), please provide a copy of the signed return which was made with respect to [REDACTED] for the year at issue. If you are acting pursuant to some other lawful authority, then please cite such authority in your response.

In the absence of a return—either one signed by [REDACTED] or one signed by a lawful delegate of the Secretary—there is no authority to assess a tax as you threaten in your letter. If you claim to have the authority to assess this proposed tax against [REDACTED], outside the limitations specifically established by IRC § 6201(a)(1), then please cite that authority also.

Mr. Byrd, it appears that you are unlawfully attempting to use deficiency procedures to bypass the requirement of signed returns established by §§ 6020(b)(2) and 6201(a)(1). Such violations are punishable under § 1203 of Public Law 105-206, enacted in 1998.

Further, since "wages" are limited to the application of Subtitle C, deficiency procedures cannot even apply to them, since IRC § 6212(a) limits such procedures to "subtitle A or B or chapter 41, 42, 43 or 44 [subtitle D]" of the Code. Finally, your letter is not verified in accordance with §§ 6061 and 6065.

Mr. Byrd, for the above reasons you can consider this letter as a challenge to your authority. I believe the circumstantial facts involving this matter are reason enough to put you on notice that this is a wrongful assessment procedure. Therefore, we insist that this proposed assessment be abated pursuant to 26 U.S.C. §§ 6213(b)(2) and 6404(a)(3), or otherwise reversed or deleted. In the alternative, forward [REDACTED] case to the Appeals Office, as required by paragraph 5 of § 4.12.1.18 of the Internal Revenue Manual, so that an appeal conference can be scheduled.


I declare that I have examined the statement of facts presented in this protest and in any accompanying schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and

5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of Letter 2566, dated August 22, 2005;
Schedule of Disputed Issues.




Schedule of Disputed Issues

- (1) [REDACTED] has no requirement to file any tax return for the year at issue because he received no income from the sources listed in 26 CFR § 1.861-8(f).
- (2) [REDACTED] has not filed a tax return that could be examined. Without this a "deficiency" in the "tax shown by the taxpayer on his return" under 26 USC 6211 cannot be justified, nor can a deficiency assessment be made under 26 USC 6212.
- (3) Internal Revenue Code § 6020(b) provides the procedure to be used when a required return has not been filed, yet the IRS appears to be proceeding under deficiency provisions which cannot apply.
- (4) In the absence of a signed return, the proposed assessment cannot lawfully be made.
- (5) According to the notice, certain amounts alleged to support the assessment were wages, which are limited to the provisions of Subtitle C of the Internal Revenue Code. As such, they are outside of the "deficiency" assessment authority in 26 USC §§ 6211 and 6212.
- (6) The notice received by [REDACTED] was not authenticated pursuant to 26 USC §§ 6061 and 6065.

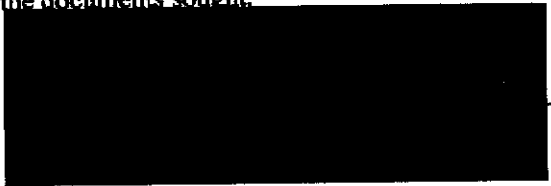
**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

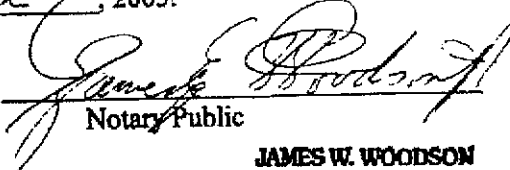
Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

I,  a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 2002 through and including 2005.

On this 6 day of Sept, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of New Jersey, County of Gloucester, on this 6 day of September, 2005.


Notary Public

My Commission Expires On: _____

JAMES W. WOODSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 12, 2008

Concerning:

[REDACTED]

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

July 29, 2005

Certified Mail No. 7005 1160 0004 9957 1533

Re: "NOTICE OF DEFICIENCY" dated June 7, 2005 and
IR Code § 6404(a)(3), "ABATEMENTS."

Scott B. Prentky, Director
Internal Revenue Service Center
1973 Rulon White Blvd.
Ogden, UT 84404

RECEIVED
AUG 25 2005
FRP 302

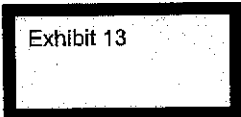
Dear Mr. Prentky:

[REDACTED] is in receipt of a document from your office (copy enclosed) that is deficient because it does not contain a "...declaration that it is made under the penalties of perjury" (Internal Revenue Code § 6065), and is devoid of any mention of appeal rights pursuant to Internal Revenue Code § 6404(a)(3). This document purports to be a "NOTICE OF DEFICIENCY," alleging various amounts of money due for the year 2003, but fails the statutory provisions of §§ 6211 and 6212. Therefore, it must be abated pursuant to § 6404(a)(3). The following is my response to this unquestionably wrongful assessment procedure:

Please be advised that [REDACTED] has related to me that he has not submitted any type of tax return forms for the year in question to the Internal Revenue Service for a "DEFICIENCY" to occur in. It is obviously absurd for you to claim that you have the authority to file returns for [REDACTED] create a "DEFICIENCY" within those returns, and then give him "NOTICE" of that "DEFICIENCY."

[REDACTED] denies any requirement to file a tax return under Subtitle A, Chapters 1 and/or 3, i.e., does not have any "Foreign Earned Income," and is not a nonresident alien, officer of a foreign corporation, or involved in any way with a foreign tax exempt organization.

Your citing of Internal Revenue Code §§ 6651(a)(1), 6654(a), and 6651(a)(2) within the attachments to the "NOTICE OF DEFICIENCY" are wrongfully applied pursuant to the Code of Federal Regulations Index. According to this Index these sections apply to Title 27 United States



Code, and section 6654(a) relates to Title 26 United States Code Chapter 1, and as exemplified within 26 Code of Federal Regulations Part 600, Section 602.101, that the procedures relate to "Foreign Earned Income." [REDACTED] declared to me that he did not work outside of the States of the Union for the year cited within the "NOTICE OF DEFICIENCY." Therefore, Internal Revenue Code § 6654(e)(2)(C) is applicable to him.

Further, according to 26 CFR § 1.861-1(a):

"Part I (section 861 and following), Subchapter N, Chapter 1 of the Code, and the regulations thereunder determine the sources of income for purposes of the income tax."

26 CFR § 1.861-8(a)(1) states, in part:

"The rules contained in this section apply in determining taxable income of the taxpayer from specific sources and activities under other sections of the Code, referred to in this section as operative sections. See paragraph (f)(1) of this section for a list and description of operative sections."

On the worksheets enclosed with the alleged "NOTICE OF DEFICIENCY," "Non-Employee Compensation, Interest" are listed under the heading "Adjustments to Income." However, no specific sources or payers are shown, so I am unable to determine whether or not the "Non-Employee Compensation, Interest" are derived from the taxable "sources" listed in 26 CFR § 1.861-8(f)(1) and is therefore "taxable income" as defined in the Internal Revenue Code.

According to the form 886-A, "if you need a list of the payers and amounts of the income reported to the Internal Revenue, you may request this information in writing." Therefore, please consider this letter a request for such information.

Such information has already been requested once, within the written protest, dated May 13, 2005, but as of this time, the IRS has failed to provide it. This is in spite of the explicit instructions on the form 886-A, and also found in 31 CFR Pt. 1, Subpt. C, App. B, § 2, which states in pertinent part:

"Individuals are advised that Internal Revenue Service procedures permit the examination of tax records during the course of an investigation, audit, or collection activity. Accordingly, individuals should contact the Internal Revenue Service employee conducting an audit or effecting the collection of tax liabilities to gain access to such records, rather than seeking access under the provisions of the Privacy Act."

The IRS' continuing failure to provide this necessary information prohibits [REDACTED] from being able to effectively exercise his right to due process, since he is being denied access to the basis for the proposed assessment. This denial of due process will adversely affect all subsequent actions, and will be prosecuted to the fullest extent allowed by law.

Further, since [REDACTED] did not file income tax returns made pursuant to "... subtitle A or B or chapter 41, 42, 43, or 44 ..." of the Internal Revenue Code for the year in

question, would you please tell me what statutory procedure(s) you are proceeding under the authority of? Please respond pursuant to IR Manual § 1.2.1.2.34, "Policies of the Internal Revenue Service":

"P-1-156:

"Keeping the taxpaying public informed by communicating provisions of the law in understandable terms...";

"P-1-179:

"Since taxpayers must compute their taxes under a body of laws and regulations, some of the provisions of which are complex, the Service has the responsibility of providing taxpayers with all possible information to assist them in the performance of their obligations." and;

"P-1-180:

"The Service recognizes the people's right to know about their tax laws and the manner in which they are being administrated."

As stated above, the purpose of this letter is to put you on notice of the wrongful assessment procedures and the fact that the notice itself is deficient because:

- (a) the notice does not set forth all of [REDACTED] appeal rights, i.e. section 6404(a)(3);
- (b) the notice is not signed pursuant to section 6065;
- (c) the proposed deficiency does not meet the definition of "deficiency," nor come within the statutory authority of sections 6211 and 6212;
- (d) you have failed to comply with the provisions of section 6501(c)(3) to substantiate your alleged assessment against [REDACTED] and
- (e) the sources of the income listed within the notice are not specified, therefore making it impossible to determine whether [REDACTED] has received "taxable income," i.e., whether such income was derived from the sources listed in 26 CFR § 1.861-8(f)(1).

In addition to the foregoing, [REDACTED] submitted a written protest for appeals consideration in response to the "proposed" assessment dated April 8, 2005, for the same year, on May 13, 2005, and has not received a reply or been afforded his administrative appeal rights. Therefore, the issuance of the alleged "Notice of Deficiency," for the year in question is clear evidence of your denial of due process.

Mr. Prentky, it is quite obvious that this action taken by you, or on your behalf, is a fraudulent misuse of the Internal Revenue Code deficiency/assessment procedures. On behalf of [REDACTED] I am here and now giving you notice that we will tirelessly prosecute any effort to illegally seize any of [REDACTED] property. I am also sending a copy of this letter to Mark W. Everson, Commissioner of Internal Revenue, so that he is properly notified of the wrongful use of the cited statutes and their deficiency/assessment procedures and can also be held accountable. If you or Mr. Everson continue to prosecute this Notice of Deficiency action, and insist that you have the authority to do so, then you should have no objection to executing the enclosed affidavits. If you decline to do so, then it will be presumed that you do not have any such authority and are proceeding wrongfully.

By reason of the above stated facts, I demand that you abate this "assessment" procedure pursuant to § 6404(a)(3), Title 26, U.S. Code.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of "Notice of Deficiency" dated June 7, 2005; and affidavits for your and Mr. Everson's execution.

● [REDACTED]

Mark W. Everson, Commissioner
Internal Revenue Service
1111 Constitution Avenue, Rm. 3000
Washington, D.C. 20224

AFFIDAVIT

I, Scott B. Prentky, Director of the Ogden Service Center office of the Internal Revenue Service, do hereby declare under penalty of perjury that the tax liability of [REDACTED] [REDACTED] was determined in accordance with Title 26, United States Code, Title 26, Code of Federal Regulations, the Administrative Procedures Act, the Federal Register Act, the Paperwork Reduction Act of 1980, and the policies, procedures, practices, rules, and regulations as incorporated in the various Internal Revenue Manuals.

Scott B. Prentky, Director

Subscribed and sworn to before me, a Notary Public, of the State of _____, County of _____, this ____ day of _____, 20____, that the above named person did appear before me and was identified to be the person executing this document.

Notary Public

My Commission Expires On: _____

AFFIDAVIT

I, Mark W. Everson, Commissioner of the Internal Revenue Service, do hereby declare under penalty of perjury that the tax liability of [REDACTED] as determined in accordance with Title 26, United States Code, Title 26, Code of Federal Regulations, the Administrative Procedures Act, the Federal Register Act, the Paperwork Reduction Act of 1980, and the policies, procedures, practices, rules, and regulations as incorporated in the various Internal Revenue Manuals.

Mark W. Everson, Commissioner

Subscribed and sworn to before me, a Notary Public, of the State of _____, County of _____, this ____ day of _____, 20____, that the above named person did appear before me and was identified to be the person executing this document.


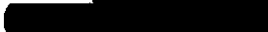
Notary Public

My Commission Expires On: _____

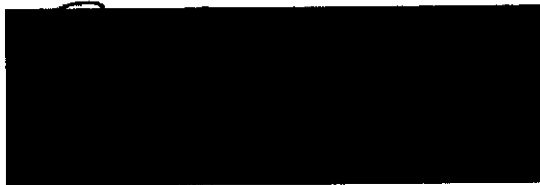
**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.


 a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1999 through and including 2004.

On this 28th day of June, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of

New Hampshire, County of Carroll, on this 28th day of

June, 2005.

Catherine Floyd
Notary Public

My Commission Expires On: 2-7-10

Rev. 12/30/96

CATHERINE FLOYD, Notary Public
My Commission Expires February 8, 2010

Concerning:

[REDACTED]

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

January 31, 2005

Certified Mail No. 7004 1160 0002 9216 9747

Re: "NOTICE OF DEFICIENCY" dated December 10, 2004; and
IR Code § 6404(a)(3), "ABATEMENTS."

Kevin Harris, Technical Services Territory Manager, Area 9
Internal Revenue Service Center
1222 Spruce Street
St. Louis, MO 63103

RECEIVED

MAR 08 2005

FRP 303

Dear Mr. Harris:

[REDACTED] is in receipt of a document from your office (copy enclosed) that is deficient because it does not contain a "... declaration that it is made under the penalties of perjury" (Internal Revenue Code § 6065), and is devoid of any mention of appeal rights pursuant to Internal Revenue Code § 6404(a)(3). This document purports to be a "NOTICE OF DEFICIENCY," alleging various amounts of money due for the years 1997 through and including 2002, but fails the statutory provisions of §§ 6211 and 6212. Therefore, it must be abated pursuant to § 6404(a)(3). The following is my response to this unquestionably wrongful assessment procedure:

Please be advised that [REDACTED] has related to me that he has not submitted any type of tax return forms for the years in question to the Internal Revenue Service for a "DEFICIENCY" to occur in. It is obviously absurd for you to claim that you have the authority to file returns for Mr. Griffith, create a "DEFICIENCY" within those returns, and then give him "NOTICE" of that "DEFICIENCY."

[REDACTED] denies any requirement to file a tax return under Subtitle A, Chapters 1 and/or 3, i.e., does not have any "Foreign Earned Income," and is not a nonresident alien, officer of a foreign corporation, or involved in any way with a foreign tax exempt organization. As you must be aware, §§ 6012, 6211, and 6212 specifically exclude taxes imposed by Subtitle C.

Exhibit 13A

Your citing of Internal Revenue Code §§ 6651(a)(1) and 6654(a) within the attachments to the "NOTICE OF DEFICIENCY" are wrongfully applied pursuant to the Code of Federal Regulations Index. According to this Index these sections apply to Title 27 United States Code, and section 6654(a) relates to Title 26 United States Code Chapter 1, and as exemplified within 26 Code of Federal Regulations Part 600, Section 602.101, that the procedures relate to "Foreign Earned Income." [REDACTED] declared to me that he did not work outside of the States of the Union for the years cited within the "NOTICE OF DEFICIENCY." Therefore, Internal Revenue Code § 6654(e)(2)(C) is applicable to him.

Further, according to 26 CFR § 1.861-1(a):

"Part I (section 861 and following), Subchapter N, Chapter 1 of the Code, and the regulations thereunder determine the sources of income for purposes of the income tax."

26 CFR § 1.861-8(a)(1) states, in part:

"The rules contained in this section apply in determining taxable income of the taxpayer from specific sources and activities under other sections of the Code, referred to in this section as operative sections. See paragraph (f)(1) of this section for a list and description of operative sections."

The items of income listed on the worksheets enclosed with the alleged "Notice of Deficiency" are not derived from the taxable "sources" listed in 26 CFR § 1.861-8(f)(1), and are therefore not "taxable income" as defined in the Internal Revenue Code.

Since [REDACTED] did not file income tax returns made pursuant to ". . . subtitle A or B or chapter 41, 42, 43, or 44. . ." of the Internal Revenue Code for the years in question, would you please tell me what statutory procedure(s) you are proceeding under the authority of? Please respond pursuant to IR Manual § 1.2.1.2.34, "Policies of the Internal Revenue Service":

"P-1-156:

"Keeping the taxpaying public informed by communicating provisions of the law in understandable terms...";

"P-1-179:

"Since taxpayers must compute their taxes under a body of laws and regulations, some of the provisions of which are complex, the Service has the responsibility of providing taxpayers with all possible information to assist them in the performance of their obligations." and;

"P-1-180:

"The Service recognizes the people's right to know about their tax laws and the manner in which they are being administrated."

As stated above, the purpose of this letter is to put you on notice of the wrongful assessment procedures and the fact that the notice itself is deficient, by:

- (a) not stating therein all of Mr. Griffith's appeal rights, i.e. section 6404(a)(3);
- (b) the notice was not signed pursuant to section 6065;

- (c) the proposed deficiency does not meet the definition of "deficiency," nor come within the statutory authority of sections 6211 and 6212;
- (d) your failure to comply with the provisions of section 6501(c)(3) to substantiate your alleged assessment against Mr. Griffith; and
- (e) the items of income listed within the notice were not derived from the taxable sources listed in 26 CFR § 1.861-8(f)(1), and are therefore not "taxable income."

Mr. Harris, it is quite obvious that this action taken by you, or on your behalf, is a fraudulent misuse of the Internal Revenue Code deficiency/assessment procedures. On behalf of [REDACTED] I am here and now giving you notice that we will tirelessly prosecute any effort to illegally seize any of [REDACTED] property. I am also sending a copy of this letter to Mark W. Everson, Commissioner of Internal Revenue, so that he is properly notified of the wrongful use of the cited statutes and their deficiency/assessment procedures and can also be held accountable. If you or Mr. Everson continue to prosecute this Notice of Deficiency action, and insist that you have the authority to do so, then you should have no objection to executing the enclosed affidavits. If you decline to do so, then it will be presumed that you do not have any such authority and are proceeding wrongfully.

By reason of the above stated facts, I demand that you abate this "assessment" procedure pursuant to § 6404(a)(3), Title 26, U.S. Code.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of "Notice of Deficiency" dated December 10, 2004; and affidavits for your and Mr. Everson's execution.

cc: Keith Griffith

Mark W. Everson, Commissioner
Internal Revenue Service
1111 Constitution Avenue, Rm. 3000
Washington, D.C. 20224

AFFIDAVIT

I, Kevin Harris, Technical Services Territory Manager, Area 9, of the Internal Revenue Service, do hereby declare under penalty of perjury that the tax liability of Keith Griffith was determined in accordance with Title 26, United States Code, Title 26, Code of Federal Regulations, the Administrative Procedures Act, the Federal Register Act, the Paperwork Reduction Act of 1980, and the policies, procedures, practices, rules, and regulations as incorporated in the various Internal Revenue Manuals.

Kevin Harris, Technical Services Territory
Manager, Area 9

Subscribed and sworn to before me, a Notary Public, of the State of _____, County of _____, this ____ day of _____, 20____, that the above named person did appear before me and was identified to be the person executing this document.

Notary Public

My Commission Expires On: _____

AFFIDAVIT

I, Mark W. Everson, Commissioner of the Internal Revenue Service, do hereby declare under penalty of perjury that the tax liability of Keith Griffith was determined in accordance with Title 26, United States Code, Title 26, Code of Federal Regulations, the Administrative Procedures Act, the Federal Register Act, the Paperwork Reduction Act of 1980, and the policies, procedures, practices, rules, and regulations as incorporated in the various Internal Revenue Manuals.

Mark W. Everson, Commissioner

Subscribed and sworn to before me, a Notary Public, of the State of _____, County of _____, this ____ day of _____, 20____, that the above named person did appear before me and was identified to be the person executing this document.

Notary Public

My Commission Expires On: _____

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

I, [redacted] a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1996 through and including 2005.

On this 20 day of January, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.

[Signature]
[redacted]

Subscribed and sworn to before me, a Notary Public, of the State of Missouri, County of Jefferson, on this 20 day of January, 2005.

SHAWN D. McCALLISTER
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires Aug. 10, 2008

[Signature]
Notary Public

My Commission Expires On: August 10, 2008

Letter Date: DEC 10 2004

Form: 1040
Person to Contact:
C. Dailing
Telephone Number:
(314) 612-4314
Employee Identification Number:
43-15406
In Reply Refer to:
S:C:E:TS:Area 4
Last Day to File a Petition With
the United States Tax Court: MAR 10 2005

Tax Year Ended:	Deficiency	6651(f)	Penalties
December 31, 1997	\$ 9,131	\$ 3,273.00	6654
December 31, 1998	8,902	2,940.75	\$ 154.11
December 31, 1999	10,831	8,123.25	524.16
December 31, 2000	20,855	15,641.25	1,113.97
December 31, 2001	22,624	16,968.00	904.14
December 31, 2002	21,908	16,431.00	732.10

NOTICE OF DEFICIENCY

We have determined that you owe additional tax or other amounts, or both, for the tax year(s) identified above. This letter is your NOTICE OF DEFICIENCY, as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this determination in court before making any payment, you have 90 days from the date of this letter (150 days if this letter is addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the deficiency. You can get a copy of the rules for filing a petition and a petition form you can use by writing to the address below.

United States Tax Court, 400 Second Street, NW, Washington, DC 20217

The Tax Court has a simplified procedure for small tax cases when the amount in dispute is \$50,000 or less. If you intend to file a petition for multiple tax years and the amount in dispute for any one or more of the tax years exceeds \$50,000, this simplified procedure is not available to you. If you use this simplified procedure, you cannot appeal the Tax Court's decision. You can get information pertaining to the simplified procedure for small cases from the Tax Court by writing to the court at the above address or from the court's internet site at www.ustaxcourt.gov.

Send the completed petition form, a copy of this letter, and copies of all statements and/or schedules you received with this letter to the Tax Court at the above address. The Court cannot consider your case if the petition is filed late. The petition is considered timely filed if the postmark date falls within the prescribed 90 or 150 day period and the envelope containing the petition is properly addressed with the correct postage.

The time you have to file a petition with the court is set by law and cannot be extended or suspended. Thus, contacting the Internal Revenue Service (IRS) for more information, or receiving other correspondence from the IRS won't change the allowable period for filing a petition with the Tax Court.

P.O. Box 66782 - STOP 4700STL/ASU
St. Louis, MO 63166

Letter 531 (DO)

information, or receiving other correspondence from the IRS won't change the allowable period for filing a petition with the Tax Court.

As required by law, separate notices are sent to husbands and wives. If this letter is addressed to both husband and wife, and both want to petition the Tax Court, both must sign and file the petition or each must file a separate, signed petition. If more than one tax year is shown above, you may file one petition form showing all of the years you are contesting.

You may represent yourself before the Tax Court, or you may be represented by anyone admitted to practice before the Tax Court.

If you decide not to file a petition with the Tax Court, please sign the enclosed waiver form and return it to us at the IRS address on the top of the front of this letter. This will permit us to assess the deficiency quickly and can help limit the accumulation of interest.

If you decide not to sign and return the waiver, and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the date of this letter (150 days if this letter is addressed to you outside the United States).

NOTE: If you are a C-corporation, section 6621(c) of the Internal Revenue Code requires that we charge an interest rate two percent higher than the normal rate on large corporate underpayments of \$100,000 or more.

If you have questions about this letter, you may write to or call the contact person whose name, telephone number, and IRS address are shown on the front of this letter. If you write, please include your telephone number, the best time for us to call you if we need more information, and a copy of this letter to help us identify your account. Keep the original letter for your records. If you prefer to call and the telephone number is outside your local calling area, there will be a long distance charge to you.

The contact person can access your tax information and help you get answers. You also have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures such as the formal appeals process. The Taxpayer Advocate is not able to reverse legally correct tax determinations, nor extend the time fixed by law that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. If you want Taxpayer Advocate assistance, please contact the Taxpayer Advocate for the IRS office that issued this notice of deficiency. See the enclosed Notice 1214, Helpful Contacts for Your "Notice of Deficiency", for Taxpayer Advocate telephone numbers and addresses.

Thank you for your cooperation.

Sincerely,
Mark W. Everson
Commissioner

By



Kevin Harris

Technical Services Territory Manager

Enclosures:

Explanation of tax changes

Waiver

Notice 1214

Publication 1

P.O. Box 66782 - STOP 4700STL/ASU

St. Louis, MO 63166

Letter 531 (DO)

Impo 1-10 FFF

Concerning:

[Redacted]

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(e)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

August 26, 2005

Certified Mail No. 7005 1160 0004 9957 0963

Re: CP 504, Notice of Intent to Levy, dated August 1, 2005, concerning 1999.

Scott B. Prentky, Director
Internal Revenue Service Center
1973 Rulon White Blvd.
Ogden, UT 84404

RECEIVED IN CORRES
IRS - OSC -593

AUG 30 2005

OGDEN, UTAH

Dear Mr. Prentky:

[Redacted] has forwarded to me for response the enclosed Notice of Intent to Levy dated August 1, 2005. In addition to the deficiencies of the Notice itself, it appears that it has also been sent to [Redacted] in error. The requirement for this Notice is set out in Internal Revenue Code (IRC) § 6331(d)(1), which states:

"(d) Requirement of notice before levy.--

SEP 13 2005

(1) In general.--Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax *only after the Secretary has notified such person in writing of his intention to make such levy.*"
[Emphasis added]

It can be seen that this notice is a necessary step before levy can be made pursuant to subsection (a), which states:

"(a) Authority of Secretary.--If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment

of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section." [Emphasis added]

This subsection establishes two further requirements that must be met before a levy can lawfully proceed. The first requirement is that the person *must be liable for* the tax. This requirement has not been met in [REDACTED] case. You are surely aware that there is no statute within Title 26 which makes [REDACTED] personally liable for (or subject to) the tax you are attempting to (unlawfully) collect. Therefore, he could not possibly be liable for the tax referenced on your Notice. This lack of statutory liability removes him from the class of persons who are subject to have their property levied upon.

If you contend that [REDACTED] has been made statutorily liable for the tax you are attempting to collect, then we demand that you cite such statute, and explain how such statute relates to him specifically. Unless and until you provide evidence of [REDACTED] statutory liability, any further attempts to collect the amounts referenced in your Notice must be considered to be willful actions, known to have no lawful basis, and thus, outside the scope of your lawful authority. You should be aware that in the case of Bothke v. Fluor Engineers and Constructors, Inc., (713 F.2d 1405), the United States Court of Appeals for the Ninth Circuit held:

"Second, the taxpayer must be liable for the tax. Id. Tax liability is a condition precedent to the demand. Merely demanding payment, even repeatedly, does not cause liability."

Another thing you may want to consider is that this Court also ruled that IRS employees, when acting outside their lawful authority, do not enjoy the immunity they are granted when acting within the scope of that authority. Therefore, actions taken outside of your limited lawful authority will expose you to liability in your personal capacity.

The second requirement to be met before a levy can be made is the sending of a Notice and Demand pursuant to IRC § 6303(a), which states:

§ 6303. Notice and demand for tax

(a) General rule.--Where it is not otherwise provided by this title, the Secretary shall, as soon as practicable, and *within 60 days*, after the making of an assessment of a tax pursuant to section 6203, give notice to each *person liable for the unpaid tax*, stating the amount and demanding payment thereof. Such notice shall be left at the dwelling or usual place of business of such person, or shall be sent by mail to such person's last known address." [Emphasis added]

[REDACTED] has no record of ever receiving this required Notice and Demand for tax. If you contend that such Notice has been sent, then forward a copy of this Notice, so that he can verify that this requirement has been met. Please also take note that this subsection again clearly establishes that this notice must be sent to the "*person liable for the unpaid tax*," and as previously mentioned, you have yet to provide any evidence that [REDACTED] is statutorily liable for the tax at issue.

Furthermore, on February 20, 2004, I mailed to your offices a Petition for Abatement pursuant to IRC § 6404(a)(3) on behalf of [REDACTED] received by your offices, and as of this date that petition has not been addressed.

In addition to the defects in the process referenced above, the Notice itself is defective. The most glaring of these defects is that the Notice is not signed under penalty of perjury as required by Internal Revenue Code (IRC) § 6065. The words used by Congress in enacting this statute leave no doubt that this requirement applies to ALL returns, declarations, statements, and documents. Otherwise, Congress would have qualified this requirement by making it apply to the documents "required to be made *by the taxpayer* under any provision of the internal revenue laws." Since they did not qualify it in this way, the statute must be construed to include those documents required to be made by the Internal Revenue Service.

Next, this Notice does not comply with the requirements of IRC § 6331(d)(4), which states:

"(d) Requirement of notice before levy.

... (4) Information included with notice.

The notice required under paragraph (1) shall include a brief statement which sets forth in simple and nontechnical terms-

(A) the provisions of this title relating to levy and sale of property,

(B) the procedures applicable to the levy and sale of property under this title,

(C) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals,

(D) the alternatives available to taxpayers which could prevent levy on the property (including installment agreements under section 6159),

(E) the provisions of this title relating to redemption of property and release of liens on property, and

(F) the procedures applicable to the redemption of property and the release of a lien on property under this title."

I could not find this information anywhere in your Notice, thus rendering it invalid. Further, the Notice is also deficient in that it doesn't contain the information required to be included by IRC § 6330(a)(3), relating to due process hearings, thus prohibiting the initiation of any levy actions.

Finally, if you intend to levy against property belonging to [REDACTED] then be aware of IRC § 6502(b), which states:

"(b) Date when levy is considered made.

The date on which a levy on property or rights to property is made shall be the date on which the notice of seizure provided in section 6335(a) is given." [Emphasis added]

IRC § 6335(a) states:

"(a) Notice of seizure.--As soon as practicable *after seizure of property, notice in writing shall be given* by the Secretary to the owner of the property (or, in the case of personal property, the possessor thereof), or shall be left at his usual place of abode or business if he has such within the internal revenue district where the seizure is made. If the owner cannot be readily located, or has no dwelling or place of business within such district, the notice may be mailed to his last known address. Such notice shall specify the sum demanded and shall contain, in the case of personal property, an account of the property seized and, in the case of real property, a description with reasonable certainty of the property seized." [Emphasis added]

It is clear from these two sections that a levy is not considered made until AFTER the seizure of property, as only then can a notice of seizure be given. Further, in the case of United States v. O'Dell, (160 F.2d 304), the Sixth Circuit Court of Appeals made the following statements:

"Levy is not effected by mere notice. Hollister v. Goodale, 8 Conn. 332, 21 Am.Dec. 674; Meyer v. Missouri Glass Co., 65 Ark. 286, 45 S.W. 1062, 67 Am.St.Rep. 927; Jones v. Howard, 99 Ga. 451, 27 S.E. 765, 59 Am.St.Rep. 231." [Emphasis added]

"The method for accomplishing a levy on a bank account is the issuing of warrants of distraint, the making of the bank a party, and the serving with notice of levy, copy of the warrants of distraint, and notice of lien. Cf. Commonwealth Bank v. United States, 6 Cir., 115 F.2d 327; United States v. Bank of United States, D.C., 5 F.Supp. 942, 944." [Emphasis added]

Therefore, any Notices of Levy which are not accompanied by copies of the warrants of distraint, and the notices of liens, are fraudulent on their face. Any attempt to use such fraudulent levies to seize [REDACTED] property is a violation of his rights and will be prosecuted to the fullest extent of the law.

In conclusion, the collection actions which you are taking against [REDACTED] are unlawful for the reasons set out herein, and your continuation of such collection actions will henceforth be considered willful actions on your part. This letter will serve as evidence that you have been made aware of the unlawfulness of these actions, so that you can be held personally responsible for any damages your actions cause to [REDACTED]. You should also be aware that IRC § 7214, shown in part below, prescribes criminal penalties for knowingly demanding greater sums than are authorized by law.

§ 7214. Offenses by officers and employees of the United States

"(a) Unlawful acts of revenue officers or agents.--Any officer or employee of the United States acting in connection with any revenue law of the United States--

... (2) who *knowingly demands other or greater sums than are authorized by law*, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or ...

shall be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both. The court may in its discretion award out of the fine so imposed an amount, not in excess of one-half thereof, for the use of the informer, if any, who shall be ascertained by the judgment of the court. The court also shall render judgment against the said officer or

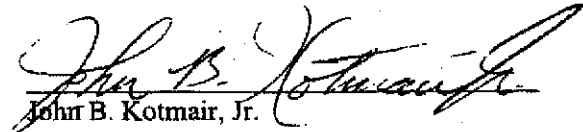
employee for the amount of damages sustained in favor of the party injured, to be collected by execution." [Emphasis added]

Mr. Prentky, I believe the facts involving this matter are reason enough to put you on notice that this is a wrongful assessment procedure, and I am moving you to abate the same. If, at the time of your receipt of this letter, property belonging to [REDACTED] has been taken from third parties, or wrongfully from him, we demand it be returned immediately. If you do not stop this wrongful assessment procedure, or return property that may have been taken, you can be assured [REDACTED] will seek redress in the Federal District Court.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of the CP 504, Notice of Intent to Levy, dated August 1, 2005.

[REDACTED]

Susan A. Hansen, Director
Internal Revenue Service Center
201 W. Rivercenter Blvd., Stop 8100G
Covington, KY 41011-0048

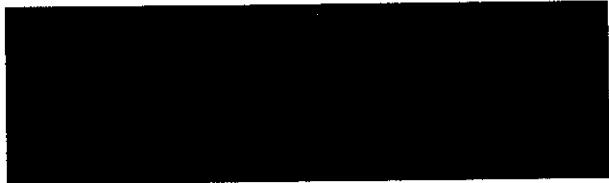
**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

I, [REDACTED] a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1997 through and including 2005.

On this 18th day of AUGUST, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.



Subscribed and sworn to before me, a Notary Public, of the State of Ohio, County of Warren, on this 18th day of August, 2005.

William F. Brown
Notary Public

My Commission Expires On:

Rev. 12/30/96



WILLIAM F. BROWN
Notary Public, State of Ohio
My Commission Expires
December 14, 2008

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IRS - OSC - 593

AUG 30 2005

OGDEN, UTAH

Foreign Earned Income

▶ See separate instructions. ▶ Attach to front of Form 1040.

For Use by United States Citizens and Resident Aliens Only.

Name of taxpayer	Your social security number
Foreign address (including country)	Your occupation

Name of employer ▶

Employer's address	<input type="checkbox"/> U.S. ▶ <input type="checkbox"/> Foreign ▶
--------------------	---

Employer is (check any that apply) ▶

<input type="checkbox"/> A foreign entity	<input type="checkbox"/> A U.S. company
<input type="checkbox"/> A foreign affiliate of a U.S. company	<input type="checkbox"/> Self
<input type="checkbox"/> Other (specify) ▶	

Enter earlier years (after 1981) that you filed Form 2555 to claim either of the exclusions ▶

If you chose to claim an exclusion in an earlier year (after 1981), have you revoked your choice? Yes No
 If "Yes," give the type of exclusion and the tax year for which the revocation was effective ▶

Test under which you qualify to claim the exclusion(s) and/or deduction ▶ <input type="checkbox"/> Bona fide residence test (Part I) <input type="checkbox"/> Physical presence test (Part II)	Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
--	---

Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? Yes No

If "Yes," give city and country of the separate foreign residence. Also show the number of days during your tax year that you maintained a second household at that address

List your tax home(s) during your tax year and date(s) established

Complete either Part I or Part II. If an item does not apply, write "NA." If you do not provide the information asked for, any exclusion or deduction you claim may be disallowed.

Part I Taxpayers Qualifying Under Bona Fide Residence Test. (See instructions.)

- 1 Date bona fide residence began _____ ended _____
- 2 Kind of living quarters in foreign country ▶ Purchased house Rented house or apartment Rented room
 Quarters furnished by employer
- 3 Did any of your family live with you abroad during any part of the tax year? Yes No
 If "Yes," who and for what period? ▶ _____
- 4a Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you are not a resident of that country? (See instructions.) Yes No

OGDEN UT 84201-0030

In reply refer to: 0469530661
June 06, 2005 LTR 3175C
413-19-0414 000000 00 000

17664

BODC: WI

Exhibit 15

Dear Taxpayer:

This is in reply to your correspondence dated Oct. 21, 2004.

We have determined that the arguments you raised are frivolous and have no basis in law. Federal courts have consistently ruled against such arguments and imposed significant fines for taking such frivolous positions.

You can obtain IRS Publication 2105, Why do I Have to Pay Taxes?, from our internet website at www.irs.gov/pub/irs-pdf/p2105.pdf. We also refer you to a document entitled The Truth About Frivolous Tax Arguments. It is also on our website at www.irs.gov/pub/irs-utl/friv_tax.pdf. If you do not have internet access, you can obtain copies of these documents from your local IRS office.

There are some people who encourage others to violate our nation's tax laws by arguing that there is no legal requirement for them to file income tax returns or pay income taxes. These people base their arguments on legal statements taken out of context and on frivolous arguments that have been repeatedly rejected by federal courts. People who rely on this kind of information can ultimately pay more in taxes, interest and penalties than they would have paid simply by filing correct tax returns.

People who violate the tax laws also may be subject to federal criminal prosecution and imprisonment. Information about the IRS's criminal enforcement program is available on the internet at www.irs.gov. Once there, enter the IRS keyword: fraud.

The IRS is working with the United States Department of Justice and state taxing authorities to ensure that all taxpayers pay their lawful share of taxes and to seek criminal indictments or civil enforcement actions against people who promote or engage in abusive and fraudulent tax schemes.

The claims presented in your correspondence do not relieve you from your legal responsibilities to file federal tax returns and pay taxes. We urge you to honor those legal duties.

OGDEN, UTAH

If you persist in sending frivolous correspondence, we will not continue to respond to it. Our lack of response to further

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IRS - OSC - 593

AUG 25 2005



correspondence does not in any way convey agreement or acceptance of the arguments advanced. If you desire to comply with the law concerning your tax liability, you are encouraged to seek advice from a reputable tax practitioner or attorney.

This letter advises you of the legal requirements for filing and paying federal individual income tax returns and informs you of the potential consequences of the position you have taken. Please observe that the Internal Revenue Code sections listed below expressly authorize IRS employees that act on behalf of the Secretary of the Treasury to: 1.) examine taxpayer books, papers, records, or other data which may be relevant or material; 2.) issue summonses in order to gain possession of records so that determinations can be made of the tax liability or for ascertaining the correctness of any return filed by that person; and 3.) collect any such liability.

General Information on Filing Requirements and Authority to Collect Tax

Title 26, United States Code

- Section 6001 Notice or regulations requiring records, statements, and special returns
- Section 6011 General requirement of return, statement, or list
- Section 6012 Persons required to make returns of income
- Section 6109 Identifying numbers
- Section 6151 Time and place for paying tax shown on returns
- Section 6301 Collection Authority
- Section 6321 Lien for taxes
- Section 6331 Levy and distraint
- Section 7602 Examination of books and witnesses

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IRS - OSC -593

AUG 26 2005

INTERNAL REVENUE CODE SECTION 6702 (FRIVOLOUS INCOME TAX RETURN) PROVIDES:

OGDEN, UTAH

CIVIL PENALTY - If -

- (1) any individual files what purports to be a return of the tax imposed by subtitle A but which -
 - (A) does not contain information on which the substantial correctness of the self-assessment may be judged, or
 - (B) contains information that on its face indicates that the self-assessment is substantially incorrect; and
- (2) the conduct referred to in paragraph (1) is due to -
 - (A) a position which is frivolous, or
 - (B) a desire (which appears on the purported return) to delay or impede the administration of Federal income tax laws, then such individuals shall pay a penalty

0469530661
June 06, 2005 LTR 3175C
413-19-0414 000000 00 000
17666

[REDACTED]

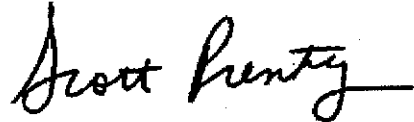
of \$500.00

PENALTY IN ADDITION TO OTHER PENALTIES - The penalty imposed by subsection (a) shall be in addition to any other penalty provided by law.

If you any have questions, please write to us at the address shown at the top of the first page of this letter. Or, you may call us toll free at 1-866-899-9083 between the hours of 8:00 AM and 6:00 PM MST. Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. You may also wish to keep a copy of this letter for your records.

Your Telephone Number () _____ Hours _____

Sincerely yours,



Scott Prentky
Field Director, Compliance Services

Enclosure(s):
Copy of this letter
Publication 1
Publication 2105

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IRS - OSC -593

AUG 25 2005

OGDEN, UTAH

Concerning:

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

August 19, 2005

Certified Mail No. 7005 1160 0004 9957 0734

Scott Prentky, Director
Internal Revenue Service Center
1973 Rulon White Blvd.
Ogden, UT 84404

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IRS - OSC -593

AUG 25 2005

Re: Your Letter 3175C, dated June 6, 2005.

OGDEN, UTAH

Dear Mr. Prentky:

I am in receipt of your letter, dated June 6, 2005, which purports to be a reply to "correspondence dated Oct. 21, 2004." I can only presume that this references my letter, actually dated October 15, 2004, in response to a Letter 2566 from the Atlanta Service Center, dated September 13, 2004, regarding the year 2002. Mr. Prentky, although your letter purports to be a reply to my correspondence, it doesn't address any of the issues presented therein.

In your letter, you state: "We have determined that the arguments you raised are frivolous and have no basis in law. Federal courts have consistently ruled against such arguments and imposed significant fines for taking such frivolous positions." Mr. Prentky, I have already pointed out the basis in the law for the issues I raised in my earlier letters on behalf of [REDACTED]. If you are contending that any of them are wrong, then according to the IRS' Mission Statement, found in IRM § 1.1.1.1, it is your duty to help [REDACTED] understand the law. You can do this by pointing out exactly where you believe any mistakes have been made. It is [REDACTED] intention to comply with all laws as they are written, and I urge you to do the same.

You state further: "The claims presented in your correspondence do not relieve you from your legal responsibilities to file federal income tax returns and pay taxes. We urge you to honor those legal duties." Mr. Prentky, it seems you missed the point of my previous correspondence. The point is that the law does not impose any legal responsibilities or duties upon [REDACTED]. The only section found which establishes a liability for income taxes under Subtitle A is § 1461, and only withholding agents are made liable by that section for the income taxes they withhold from the entities listed in the rest of Chapter 3. That being the case, the various sections you cite in your letter, which are all conditioned on being made liable for the tax, do not apply to [REDACTED] since he is not a withholding agent as that term is defined at § 7701(a)(16).

Page 1 of 3

Conf. Rec'd CM 1 Exam SEP 12 2005

Exhibit 16

Additionally you state, "There are people who encourage others to violate our nation's tax laws by arguing that there is no legal requirement for them to file income tax returns or pay income taxes. These persons base their arguments on legal statements taken out of context and on frivolous arguments that have been repeatedly rejected by federal courts." However, it is not clear from these statements whether you are accusing [REDACTED] of encouraging others to violate tax laws, or whether you are accusing him of violating such laws himself. In either case, he takes such libelous accusations seriously and intends to vigorously pursue all available remedies.

You next state: "If you persist in sending frivolous correspondence, we will not continue to respond to it. Our lack of response to further correspondence does not in any way convey agreement or acceptance of the arguments advanced." Mr. Prentky, it appears that you are refusing to follow the mandates of the Internal Revenue Manual. According to §§ 21.3.3.2(1) and 3.30.123.2.9(2), the IRS is required to issue, within 30 days, a final response to all written communications from taxpayers or their representatives. Can you explain the reasons for your refusal to comply with those provisions?

Finally, you quote IRC § 6702, which penalizes the filing of frivolous income tax returns. However, I am unable to determine why you would cite that provision since it is my understanding that [REDACTED] has not filed any returns for the year 2002, nor anything which "purports to be a return."


Mr. Prentky, as explained herein and in my previous correspondence, [REDACTED] is not a person who is required to deduct and withhold any tax under Chapter 3, and therefore is not a member of that class of persons which Congress specifically made liable for the tax. If you are contending that [REDACTED] has been made liable for (or subject to) a tax by any law of Congress, then you should have no trouble identifying such law(s), so that he may verify its applicability to himself. If you can not identify the specific statute which makes him liable for the taxes at issue, then please state that fact in your reply.

If you fail or refuse to respond as requested within 14 days of your receipt of this letter, it must be presumed that you cannot identify any lawful authority for the actions you are taking, and therefore, such actions must be considered knowing and willful violations of [REDACTED] right to due process.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.



Enclosures: Original Power-of-Attorney; copy of page one of my original letter, dated October 15, 2004; copy of your letter, dated June 6, 2005.

● [REDACTED]

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(e)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(e)(1)(iv), this form will give John B. Kotmair, Jr. (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.


 a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1999 through and including 2005.

On this 12th day of August, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the



Subscribed and sworn to before me, a Notary Public, of the State of Maryland,
County of Harford, on this 12th day of August, 2005.

Deborah Y. Nelson

Notary Public

My Commission Expires On: 9/1/08

Rev. 12-30-96

[REDACTED]

Dear Patriot:

Enclosed is your 1996 IRS Power-of-Attorney (POA) form. Please notice that it does not require a notary, but you need to get two witnesses to sign with you. Hopefully this will save you a few bucks, or at least save you the inconvenience of going to a notary. (We're always looking to save you money if we can.)

Please destroy any outdated forms and use this form only.

If you are one of those who use more than one address, be sure to make it clear which address is to be used for what purpose(s).

Thanks for all you have done in the cause of Liberty, and I hope and trust you will continue to keep up the good fight.

For Liberty, Truth and Justice, your SAPF caseworker,

Shaun

Shaun

PS: Please be sure to read the enclosed important notice and to get back with me about it. Thanks.

(410) 857-4441. (M., W., Th., F., 9:15 AM-5 PM; T., 11 AM-5 PM.)

Exhibit 17

9
629
3366
Jenick
mon 11 am
23:00

~~888-2986~~
~~2300~~

629
3366

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR §301.6103(c)-1, 26 CFR §601.502(a)(1) and (2), 26 CFR §601.502(b)(5)(ii) and Treasury Department Circular No. 230, at §10.7(a)(2), this form will give John B. Kotmair Jr. (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

I, [REDACTED] (Form SS-5 revoked 12-04-94), a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair Jr., the Fiduciary of the Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes that agency alleges I owe, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1977 through and including 1995.

On this _____ day of _____, 1996, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair Jr., and that I have a "material interest" in the information within the documents sought.

[REDACTED]

We, the undersigned, hereby affix our signatures in affirmation that the above signed person did identify himself, by State identification, as [REDACTED] and did date and affix his signature to this Power of Attorney on this _____ day of _____, 1996. We affirm this to be true, correct, and complete to the best of our knowledge.

Witness

A Citizen of [state] _____

Witness

A Citizen of [state] _____

Important Notice re: IRS Power of Attorney (POA) forms/Casework procedures.

IRS regulations state that the POA forms are valid for only 60 days. Since each letter we send on your behalf must have a current POA form attached, if there are no current forms in your file when I receive work, I will be unable to correspond on your behalf. Please do not jeopardize the progression of your case--keep me supplied with a minimum of three executed ORIGINAL POA forms every 30 days. Use only the latest version (12/7/94 -- check bottom left of form for revision date). Destroy any previous revisions.

We are presently out of current POA forms for you.

Urgent! We have work to do in your behalf, but cannot proceed until forms are received.

Please note! The POA's you last supplied us are from an outdated master.

Help me expedite the investigation of your case by ...

_____ sending me copies of returns you filed for the _____ tax years.

_____ not writing on the original IRS correspondence you send us, as it becomes our original,

and precious time is wasted making it presentable.

_____ not using staples on the correspondence you send us.

_____ sending any concerns re: billings/statements in writing to SAP, Attn: Administration,

who handles such matters.

In order for your investigation to proceed, please contact me to discuss the rate at which we can build your case. We wish to actively move forward, and realize the need to consider your individual financial circumstances before doing so.

_____ Please note we will not be responding to the IRS correspondence dated _____ that you mailed us, as it would not strengthen your position to do so.

Thank you!!

Please check the status of your invoice # 50013216
and let me know if it has been paid.
Also there is # 00013216 for Paula.

VERY IMPORTANT--PLEASE READ

Enclosed is the updated version of the 1997 Power-of-Attorney form authorizing John Kotmair to represent you before the Internal Revenue Service. Please copy and execute three of the enclosed form, retaining one as a blank original, and return the newly executed forms to our office immediately. Please sign and date them in blue ink as proof of original, and have them signed and dated by a notary in the appropriate spaces.

One of the best methods for keeping your file up to date with valid Power-of-Attorney Forms is to mark on your calendar and execute three forms every forty-five days and send them to your caseworker. Some members find it easier to send in a batch every month; use whichever method is more convenient for you.

A significant part of our investigation on your behalf is accomplished by exposing the improper conduct of the IRS, both in their actions against you, as well as in how they reply to our letters. When they fail to reply, or when they do respond, if they send us a letter that adds to the documented wrongful procedures they have used against you, we can immediately respond and preserve the factual evidence that they are attempting to ignore. In order for us to act immediately, we need members to keep their case files up to date with current Power-of-Attorney forms. After this happens repeatedly, it becomes a documented fact in your own personal case that the IRS has not afforded you your lawful due process and administrative appeal rights. This fact, together with information obtained through the Privacy Act requests sent on your behalf, serves to support an action in court against the Internal Revenue Service. Therefore, it is imperative that you stay committed to keeping the forms up to date in your case file.

If the forms are not signed and dated by you (the individual giving over Power-of-Attorney) in blue ink, they will not be considered original, and will need to be replaced.

If the forms are not signed and dated by a notary as stated earlier, they will also not be considered original, and will need to be replaced.

Aside from keeping us up to date on any correspondence you receive from the I.R.S., up-to-date Power-of-Attorney Forms are your greatest responsibility. Thank you for your efforts to support the cause of Liberty. Together we will stand and prevail!

Yours in and for liberty,
Shon



**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR §301.6103(c)-1, 26 CFR §601.502(a)(1) and (2), 26 CFR §601.502(b)(5)(ii) and Treasury Department Circular No. 230, at §10.7(a)(2), this form will give John B. Kotmair Jr. (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

(Form SS-5 revoked 12-04-94), a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair Jr., the Fiduciary of the Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1977 through and including 1996.

On this _____ day of _____, 1997, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair Jr., and that I have a "material interest" in the information within the documents sought.

Subscribed and sworn to before me, a Notary Public of the State of _____, County of _____, on this _____ day of _____, 1997.

Notary Public

My Commission Expires On: _____

Save-A-Patriot Fellowship

"The Silent Raid"

PO Box 91 Westminster, Maryland 21158 Telephone: (410) 857-4441

Dear Fellow Member,

November 10, 1996

The sticker on the envelope alerted you that this is an *urgent* mailing requiring your *immediate* attention and action.

Actually, its more than urgent—its *critical*.

This is the most important letter you have ever received from us, so please read it carefully, right now, and give it your full and undivided attention.

This is a classic "good news, bad news" story.

First, the good news, the *very* good news.

The Save-A-Patriot Fellowship is running more smoothly and efficiently than at any time in our entire twelve year history.

Data management systems, and the trained staffers to utilize them, are in place and fully implemented.

Thanks to these new integrated systems, the response to our Member Assistance Program (MAP) has been phenomenal. We are unique in having designed and implemented a workable mechanism to rescue those amongst us who have gone the furthest in standing toe-to-toe against tyranny.

There is no other organization in this entire country that is administering this type of self-funding, mutual insurance-like protection program to such a degree and with such positive impact.

Our motto: "*Together We Must Stand -- Or -- Separately YOU will be Stood On!!!*" is a living breathing thing.

Today, we stand poised for exponential expansion of our membership base, as the near boiling groundswell of public frustration and outright anger over this second-term, fascism-bound government gravy-train grows daily.

April 15th—just another spring day to our well-educated membership—is right around the corner.

Americans *by the millions* are ready for our message: *Just the Facts*

Tremendous legal battles have been won in the past twelve months: the Donald Paul and Fred Allnut victories over the IRS as detailed in recent editions of *Reasonable Action*.

More recently, just two weeks ago, our N.W.R.C. (the department that helps members with employer problems) won an out-of-court settlement for 2,000.00 FRNs.

And this week, using the same arguments, we won a similar settlement for 12,500.00 FRNs (that's right... you read that correctly: twelve thousand five hundred FRNs). These suits were won against employers who refused to hire a member without a social security number.

The enormous political pressure being exerted by the Fellowship is being felt like never before, as our members' cases continue to pile-up on IRS desks from coast to coast, representing reams of lawful correspondence that IRS officials don't want to touch with the proverbial "ten foot pole."

To wit: *over 85% of the cases we are developing for members are now dormant and the IRS is no longer aggressively pursuing the member!* The IRS is apparently capitulating to some degree and we're not really sure why. In several cases they took their collection activities right to the point of levy, but after a response from our caseworker, they never actually levied the member. Are they slowing down because they know we're developing a case? Is it because they believe it would be ~~more costly for them to pursue SAP members than ordinary individuals?~~ One thing is sure, it would seem to put much greater value on your membership in Save-A-Patriot.

That's good news, or so it would *seem*.

Now for the bad news:

Our winning streak has caused a financial crisis at the Fellowship.

When the IRS stopped aggressively pursuing members they also cut off the source of revenue that the Fellowship needed to achieve this success. The volume of letters we generate now is a mere *fraction* of what it was as recently as a year ago.

You see, the sword cuts both ways.

Between the correspondence received from the IRS, our responses to those letters, and the copies we forwarded to our members, we've handled nearly 5 million documents in the last 4 years.

But now, with the drastic reduction in the need for casework, there has been a concomitant reduction in operating funds—funds that are needed to meet the weekly payroll of caseworkers and other staffers, and to train others for future expansion.

If you've been a member for any length of time you'll remember that in December of 1993, both the Fellowship headquarters and my private residence were simultaneously raided by armed IRS agents.

What had George Washington warned?: "*Government is force...*"

The Fellowship felt the full, *armed force* of the federal government at its front door.

After one ring, the door of my own home was smashed in with a sledge hammer before Nancy had time to answer it:

This was not "Avon calling."

A shotgun was held to my son's head as he lay on the living room couch.

At headquarters, IRS agents streamed in with 9mm pistols drawn, *loaded with real bullets*.

Office equipment—*YOUR* office equipment: computers, copiers, fax machines, laser printers, filing cabinets, etc., was confiscated.

Private correspondence with members was opened in blatant and arrogant violation of federal postal law.

Our safe was smashed open and 45,000 FRNs of the Fellowship's day-to-day operating funds was stolen.

The IRS objective:

To demoralize our staff, decimate our membership rolls and cause general havoc.

Our response?:

An emergency appeal was broadcast to the membership nationwide.

The immediate and predictable result:

Computers, office hardware, envelopes stuffed with FRNs *and new members* flooded in from all across America.

Thirteen days after the raid, we were back in operation.

The IRS was stunned!

After failing to indict me before the grand jury, the day prior to the raid, the best and brightest within the highest echelons of the IRS had failed miserably in their frontal assault on the Fellowship.

Last year, the US Attorney officially dropped the criminal investigation against me (which was the excuse for the raid).

Now, it is the Fellowship and its members who are pursuing the IRS officials who planned and orchestrated the raid, in *full frontal assault* through the courts.

In a hearing held September 20, 1996, on the Fellowship property that has *still* not been returned, the presiding judge and US attorney agreed *for the record* that no one could question my steadfastness and sincerity in the actions I have taken. This makes it *impossible* for the government to prosecute me again for a tax crime.

Our ongoing objective: to get the government to obey the law.

Here then, is the purpose of this letter.

A second emergency appeal is hereby being made to the Fellowship.

WE ARE BEING RAIDED AGAIN! — THIS TIME *SILENTLY*.

The "plundering tyrants" are now sulking behind silent computers—computers that are no longer generating "*paper bullets*,"—paper bullets that we've geared up to protect members from, and...

When the IRS stopped aggressively pursuing our members they also stopped a major flow of funds to the Fellowship—funds that were used to achieve the legal victories previously mentioned. When they reduced their collection activities, in a sense, they raided us again, but this time it was a *silent raid*—a raid that could starve us to death and force us to close our doors.

We need to learn a brief history lesson: When England's King George failed to take the colonies back with military force and real bullets, he tried to drain them of their economic ability to fight.

Is this the reasoning behind the IRS' second raid against the Fellowship?

...to drain it of its financial resources so that it can no longer afford to fight back?

We cannot—we must not—allow that to happen.

It will no doubt shock many of you to learn that the Fellowship's total cumulative receivables (money still owed to the Fellowship for services performed) from 1992 to the present, now approaches 430,000.00 FRNs!

This figure—*nearly half a million frns*—represents literally thousands of hours of still-unpaid case (and other) work performed for our members over the course of three and a half years *in anticipation of reimbursement*.

Unlike AARP and other such *congenial* service based organizations whose members join in eager anticipation of “benefits,” much of SAP’s “clientele” has developed from stalwart (if understandably anxious) Americans *already* under duress, under investigation, *under attack*—beleaguered members whose world was being (or *had* already been) stolen out from under them by the IRS and/or its fifty fellow co-conspirators; *sagacious* members who joined SAP to obtain emotional relief, legal and financial assistance and support; *resolute* and *grateful* members who joined in eager anticipation of the opportunity to return such benefits of membership (under our Member Assistance Program) to their damaged “fellows” in true *fellowship*—a huge circle of patriotic Americans holding hands from coast to coast.

~~Remembering the command that we must always remain our brothers’ (and sisters) “keeper,” we~~ welcomed all such new members into our circle with open arms, *regardless* of their financial situation.

In good faith, we performed the services they requested and *then* invoiced them for the work *already* performed.

Unfortunately, many of these newly internal-robbery-serviced victims simply had no money left with which to pay us—*and still needed more casework done*.

Many of these, often founding members, demonstrated their intent to “catch-up” by taking on an additional job and consistently paid what amounts they could afford.

And we continued to assist and support them in their hour of greatest need.

Some members however, turned out not to be our “fellows” after all.

After welcoming our support and *receiving* it; after requesting our assistance in keeping the enemy at bay and *receiving* it; after running up a bill—in some cases a *huge* bill—and *receiving* it, these unscrupulous members simply quit... and walked away.

“They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety.” —Benjamin Franklin

In any normal business, common *credit-investigation* practices would pre-screen such undesirable “accounts” *before* taking them on as “customers.”

In any normal business, common *accounting* practices would prevent such egregious “accounts receivable” before being allowed to accumulate.

But we are not a business, we are a fellowship.

We cannot operate for profit.

There *are* no profits.

Furthermore, we cannot borrow money as a business can.

We have no credit cards.

We have no credit rating.

Unlike the government, we can’t *pretend* to borrow it from someone who *creates* it out of thin air by printing it.

We must operate on a strict *pay-as-you-go* basis (the way the Founders designed our Republic to operate).

The bottom line:

While in its most highly tuned and effective state since its inception, the Fellowship—*your* Fellowship—is currently facing a monumental cash flow crisis.

And, if it is not solved quickly—*very quickly*—we may have to close our doors in January, even if temporarily.

If this happens, we will suffer the loss of dedicated and highly trained, *experienced* staffers faced with no choice but to seek compensation for their services *elsewhere*.

Such attrition of personnel could force us to close our doors ...*permanently*.

~~The "silent" raid will have done its work and the IRS will have won by default.~~

Could it be that the IRS, *while currently outflanked and in retreat*, seeks as their latest battlefield maneuver to *appear* to go away for this very purpose? Do they intend to return in hot pursuit when we no longer exist to support our members.

Think about it.

Never, ever, underestimate the cunning, criminal mentality of such an adversary as this.

But back to the point:

Please know that asking for money is repugnant to us.

However, this is not a simple case of "passing a tin cup."

This is not a telethon.

This is reality.

We felt that we needed to be as direct and forthright as possible and respect the intelligence and commitment of our members.

Even though we know some of our weaker members may quit after receiving this letter.

So be it.

Perhaps they, too, were never truly *our fellows* in the first place.

As for the rest of you, we need your help.

If we are to survive and not suffer "*death from a thousand small cuts*," we need your help, and we need it now.

Perhaps finances are tight in your household.

Please pardon the brazen intrusion, but we suggest that if, in the midst of your own family's economic battle, you can still afford cable TV, you can afford to skip a few months and send the difference to us.

With an overworked staff, limited in size to what we can (barely) afford, we cannot pay for much needed repairs on our computer systems at this time, *let alone spare a minute to watch TV*.

Former Mayor Koch of New York City was once seen on TV lamenting the abject failure publicly promoted *voluntary* water conservation campaign, the result of simple—a predictable—human nature.

After all, why should *any* apartment dweller or homeowner cut back on *his own* water usage when, in all likelihood, no one around him would be equally noble?

The result?

No one cut back on water and NYC suffered a *real* crisis as water pressure to everyone was curtailed and water lines shut off intermittently.

Had everyone cooperated uniformly, there would have been no interruption in anyone's service.

If you adopt this same mentality, in the belief that your fellow members will cover *your* "fair share" don't be stunned next year if our phone rings... and rings... and rings.

An infusion of capital *right now* will allow us to finalize the implementation of new systems that foresee and prevent "aging" accounts from ever again accumulating, and support our surge forward in obtaining new members.

We have recently been offered radio advertising at "air time" rates commercial advertisers could only *dream* of, yet we cannot afford to purchase the minutes.

We would love to run full page ads in the *Wall Street Journal*, informing millions of Americans about *Just the Facts* behind their lifetime of unwitting "voluntary compliance."

Such ads would undoubtedly bring in hundreds if not *thousands* of new members and an infusion of immediate funding.

But we cannot afford such advertising—*not even close*.

Depending upon your response, this should be our *last* financial crisis ever.

Now is the time to close ranks, circle the wagons and man the ramparts.

After all the blood, sweat and tears, shed by so many for so long, we cannot afford to fail now.

Many members refer to the Fellowship as the most prestigious "patriot organization" in the history of the United States, *not counting those staunch and fearless patriots who conceived and founded these united States*.

Perhaps you agree.

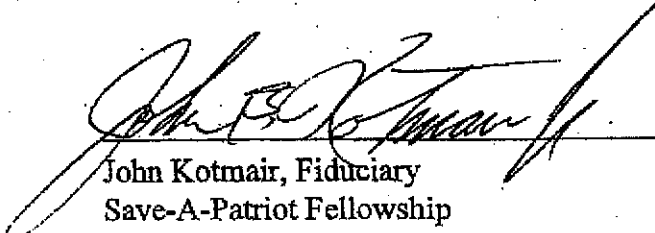
Certainly, you joined us because you believe in the Constitution, you believe in the Rule of Law and you believe in the protection of your natural, God-given right to property—without which, *there can be no Liberty*.

Don't let the IRS win.

Send what you can today.

Send not what you can afford to send, send what you cannot afford NOT to send.

We've enclosed a pre-addressed envelope. Please don't delay.



John Kotmair, Fiduciary
Save-A-Patriot Fellowship

Piercing the Illusion

*Setting straight the misrepresentations that have in
one way or another deprived American citizens of their
Individual Liberties for the past one hundred and forty-
one years.*

By:

John Baptist Kotmair, Jr.

*Fiduciary of the
Save-A-Patriot Fellowship*

First Edition, Registered Number _____

001216

Exhibit 19

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States. (Emphasis

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xpands past its lawful

function. Those benefiting by the unlawful expansion seem to
always fall back on "I am only following orders."

Ten or so years ago, the Internal Revenue Service Centers in
Philadelphia, Pennsylvania and Ogden, Utah both forwarded to me,
unsolicited, representative numbers that would allow me to
represent anyone before any Internal Revenue Service
administrative hearing. The IRS regulations only allow a
representative to have one number, so I returned the number
forwarded by the Ogden Service Center and kept the one from
Philadelphia.

With this number, I started to represent Fellowship members
at IRS assessment appeals conferences. The process began when
the IRS would send the member a notice of deficiency, which can
only be issued in accordance with § 6212 of Subtitle F. The
argument that I made on the member's behalf was very simple—the
Internal Revenue Service had no statutory authority to issue a
notice of a deficiency assessment to the member in the first place.
Of course, when this was shown to the appeals officer, they were
totally amazed, and the result in 99% of the appeals conferences
was that the assessment process, for reasons known only to the
appeals officer, was at a dead end.

It did not take long for this to be noticed by the hierarchy of
the IRS. I received a letter from the District Director of the
Baltimore IRS Office, notifying me that my representative number
had been revoked. I responded by asking for the formal reason for
this action, and until this day I have not received an answer to this
inquiry. I made Privacy Act requests for all the documents
involving the revocation of the representative number, but I have
been totally stonewalled.

The argument used regarding § 6212 just bolsters the facts
about the federal tax scheme that have been presented to you in this
book. This code section is just one more link in the daisy chain of
evidence proving my point. Section 6212 states in pertinent part:

Internal Revenue Service

Department of the Treasury

District
Director

Balt

District

31 Hopkins Pls.

Baltimore, Md. 21201

► JUN 3 1994

Mr. John B. Kotmair, Jr.
P.O. Box 91
Westminster, Maryland 21158

Dear Mr. Kotmair:

This is to inform you of our final determination that you are ineligible to practice before the Internal Revenue Service Baltimore District Office or before any other office of the Internal Revenue Service. We provided to you notice of our proposed determination of your ineligibility to practice by letter dated May 11, 1993.

Under 26 CFR 601.502 and Treasury Department Circular No. 230, Section 10.3, the following categories of individuals are eligible to practice before the Internal Revenue Service: attorneys, certified public accountants, enrolled agents, enrolled actuaries, and other individuals described in Section 10.7 (including unenrolled return preparers or individuals with whom a special relationship with a taxpayer exists) and Subsection 10.5(c) (individuals who have applied for and received temporary recognition from the Director of Practice).

You have not shown you are an attorney, certified public accountant, enrolled agent, or enrolled actuary. Nor have you provided evidence you are eligible for limited practice as an unenrolled preparer or as one who has a special relationship with a taxpayer. Further, there is no indication you have applied for and received temporary recognition from the Director of Practice.

You have recently asserted that you qualify to represent taxpayers under Subsection 10.7(a)(2) of Circular 230, which states that, "Corporations (including parents, subsidiaries or affiliated corporations), trusts, estates, associations or organized groups may be represented by bona fide officers or regular full-time employees." However, the taxpayers you attempted to represent were not corporations, trusts, estates, associations, or organized groups of which you were a bona fide officer or a regular full-time employee. They, in fact, were individuals for whom representation would be subject to Subsection 10.7(a)(1) of Circular 230. This provision states, "An individual may represent another individual who is his regular full-time employer, may represent a partnership of which he is a member or a regular full-time employee, or may represent without compensation a member of his immediate family." You did not provide

Exhibit 20

0 851

Mr. John B. Kotmair, Jr.

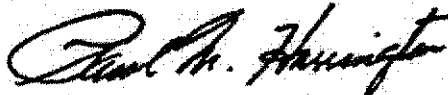
evidence that you met this requirement for any individual for whom you attempted to provide representation.

Finally, you indicated you were assigned a CAF (Centralized Authorization File) number by the Philadelphia Service Center. You stated this supported your contention that you are authorized to represent taxpayers before the Service. Although the CAF number is an identification number for representatives, it is not in itself an indication of authority to practice.

Accordingly, as we advised you in our notice of May 11, 1993, you are ineligible to practice before the Internal Revenue Service since you have not established you are within any of the categories of individuals authorized to practice.

If you have any questions concerning this letter, you may direct your inquiries to Mr. Pat McDonough, Supervisory Attorney, Office of Director of Practice, at (202) 376-1428.

Sincerely yours,



Paul M. Harrington
District Director

cc: All Regional Commissioners
All Chief Compliance Officers
All Service Center Directors
All Compliance Center Directors
All Computing Center Directors
Headquarters Office of Disclosure
MAR Regional Disclosure Officer

Internal Revenue Service

Department of the Treasury

Taxpayer
Street Address
City, State Zip

Re: (Name of Person)—Ineligible Named Representative

Dear

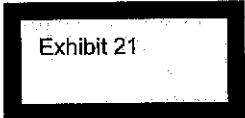
You recently named the individual shown above as your representative on a Form 2848, Power of Attorney and Declaration of Representative. On that form this individual stated that he was eligible to represent you before the IRS because he was in good standing as an:

- Attorney
- Certified Public Accountant
- Enrolled Agent
- Unenrolled Return Preparer

We have determined that this individual is not eligible to represent you. You must contact this individual for any additional information about his or her ineligibility to represent you.

If you wish, you may name another representative on a new Form 2848 (copy attached) or you may represent yourself.

Sincerely yours,



OPR-Ineligible Representative Letter

Instruction Sheet for Execution of Power-of-Attorney Forms to be Used for the SSA

TO:

[REDACTED]

According to Code of Federal Regulations, Power-of-Attorney (POA) forms are only good for sixty days. Any request or response made on your behalf using a Power-of-Attorney form that was executed sixty days prior to the request or response, will not be honored by the government, in this case, the Social Security Administration (SSA).

Please use this master to photocopy three (3) forms. Execute the photocopied forms, in blue ink, before a notary and return them to our office immediately. Also, please note the date of execution on your calendar, and send us three (3) executed original Power-of-Attorney forms before the 60 day period has expired. Continue this throughout the year so that we can maintain a supply of current forms in your file.

The information that will be requested from the Social Security Administration is the SS-5 Application for Social Security Number. We hope to use the information on the application to lay the ground work for challenging your agreement with Social Security and once and for all sever you from the Social Security Number, subsequently the Social Security Administration and, the Internal Revenue Service.

Presently, the SSA is charging a 7.00 FRN fee for searching for and copying the original SS-5 application. Please enclose a Money Order made out to the Social Security Administration, from yourself, with your signed POAs in order to expedite this action. Cash will not be accepted, the additional 75¢ cost and time spent by the staff to obtain Money Orders for each person cannot be absorbed by the Fellowship!!! If you have already sent in the 7.00 FRN Money Order search and copy fee for your SS-5, please disregard this portion of these instructions. Had you executed an Affidavit of Revocation and Rescission please send in two (2) copies and the cover letter to the Secretary of the Treasury, one for our SSA file and one for the Commissioner of the SSA.

If you are not sure if your membership has expired, please do not proceed as above, but contact the office about clarification of your status before requesting this work to be done. If everything is in order please provide your membership I.D. # in this blank _____ and return this form.

Yours in and for LIBERTY,

Thurston, SSA-Caseworker
SSA-POA Dept.

Exhibit 22

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

This form will give John B. Kotmair, Jr., of Post Office Box 91, Westminster, Maryland 21158, in his capacity as Fiduciary of Save-A-Patriot Fellowship, permission to investigate this matter for me.

I, [REDACTED], a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Social Security Administration any and all of the records, pertaining to me maintained within any Social Security Administration Office.

I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.

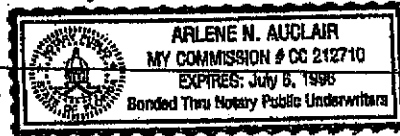


as identification and who did/did not take an oath.

Subscribed and sworn to before me, a Notary Public, of the State of
FLORIDA, County of SARASOTA, on this 30TH day of
DECEMBER, A.D. 1994.

Arlene N. Auclair
Notary Public / ARLENE N AUCLAIR

My Commission Expires On:



To:

[REDACTED]

August 29, 1994

**SUBJECT: 26 Code of Federal Regulations Part 1, Section 1.1441-5,
"Claiming to be a person not subject to withholding."**

In accordance with Chapter 3, Subchapter A of the Internal Revenue Code (26 USC), Code of Federal Regulations (26 CFR) Section 1.1441-5, and related IRS Publication 515 I hereby provide you with written notice in duplicate that I am a citizen/resident of the United States.

As stated in Publication 515, the accompanying notice in duplicate will relieve you of any duty or liability to withhold any monies from any and all payments due me.

I am a citizen of the State of Florida, and of the United States of America. I am not a non-resident alien, foreign corporation, officer, director, stockholder or employee of a foreign corporation. Nor am I receiving and/or making payments for another person as a broker and/or a nominee.

The attached duplicate copy of the "Statement of Citizenship," along with a letter of transmittal, must be sent to the Internal Revenue Service Center in Philadelphia, Pennsylvania only, for verification as instructed in 26 Code of Federal Regulations, Section 1.1441-5.

Sincerely yours,

[REDACTED]

Enclosures:

Copy, in duplicate, Statement of Citizenship.

Copy of page 2 IRS Publication 515.

Copy of CFR 26, Section 1.1441-5.

[REDACTED]
[REDACTED]
[REDACTED]

Mr. Frank Newman, Secretary
Department of the Treasury
1500 Pennsylvania Ave. N.W.
Washington, D.C. 20220

Dear Mr. Secretary:

Would you be so kind as to forward the enclosed asseveration to the appropriate governmental office(s) so that proper notice can be taken thereof its content, and suitable action to comply with its mandate therewith.

If I do not hear from you, or any of your delegates, within ninety days (90), I will presume that my statements are correct and that you do not have any rebuttal.

Thank you.

Sincerely,

[REDACTED]

cc:

copy retained

STATEMENT OF CITIZENSHIP
(in duplicate)

Name: [REDACTED]
address: [REDACTED]

To: [REDACTED]

I am a citizen of the United States of America by birth.

I was born in: [REDACTED]

This statement is provided in duplicate to conform to the provisions of internal revenue regulations which will relieve a withholding agent of any duty to withhold money from payments to a United States citizen and/or resident. The withholding agent is also relieved of any liability, pursuant to the regulations, because money is not withheld.

"Section 1.1441-5 Claiming to be not subject to withholding.

"(a) Individuals. For purpose of Chapter 3 of the code, an individual's written statement that he or she is a citizen or resident of the United States may be relied upon by the payor of the income as proof that such individual is a citizen or resident of the United States. This statement shall be furnished to the withholding agent in duplicate."

The duplicate copy of this statement of citizenship, along with a letter of transmittal, must be sent only to Internal Revenue Service Center, Philadelphia, PA 19255, by the withholding agent, pursuant to 26 Code of Federal Regulations section 1.1441-5.

Thank you,

[REDACTED]

Subscribed and sworn to before me, a Notary Public, for the State of _____, County of _____, this _____ day of _____, 19 _____.

Notary Public

My Commission Expires On: _____

Affidavit of Revocation and Rescission Instructions

Read the following very carefully before using this affidavit:

1. Be aware that once you file this *affidavit* you will no longer be eligible for Social InSecurity Benefits. As we all know, if you are 40 years of age or younger it is very questionable whether you will receive any "benefits" anyway.

2. **THE FOLLOWING IS OPTIONAL:** Before sending this *affidavit* to the Secretary of the Treasure, **IF** you want to make it part of the public record, take it to your county courthouse and have it recorded among the books that contain miscellaneous documents, (note: some states do not have such books), and ask the clerk for a "true test copy" of it. When you receive the true test copy, take a lead pencil and lightly blacken the raised seal of the court, then make copies of this to send with the enclosed *cover letter* and the *affidavit*. (Use the *cover letter* supplied with the *affidavit* only.) You may send copies of the *affidavit* and *cover letter* to others as the case may require, but simply state that it is for their information only. Never quote law, court cases, or anything else. The less you say the better, let the *affidavit* talk for you.

3. Any future correspondence from either the state or IRS plunderers should be answered with S.A.P. Vehicles. All initial correspondence from the Internal Revenue Service has to contain a Privacy Act notice (Notice 609) and/or the applicable state requirement stating the authority the state agency has to accost you. Any absence of such a statement of authority should be, before doing anything else, challenged.

4. You cannot file an IRS Form W-4 with an employer, or any other IRS or state income tax forms, once you execute and forward the *affidavit* to whomever. In fact, the filing of any IRS or state income tax form(s) with anybody will invalidate the *affidavit*. In lieu of the Form W-4 you would use a Statement of Citizenship pursuant to 26 CFR §.1441-5.

5. This *affidavit* must be sent U.S. Postal Service Certified Mail Receipt Requested (to the Secretary only). If not you will not be able to use Vehicles #1(a) and #1(b).

If you have any questions about the above, or any other situation or condition that might come to mind or arise out of the use of this *affidavit*, please telephone S.A.P. headquarters (410) 857-4441. Do not write as our time to answer mail is becoming more limited as time goes on.

NOTICE: Along the line of this *affidavit*, we also issue an affidavit to establish the date you purchased our video presentation "Evidence That Demands Action." If you rely on the facts contained within this video presentation, and if the Internal Revenue Service charges you criminally for the year the purchase was made in, or any year thereafter, the video presentation becomes a material fact relating to your intent and cannot be kept from the jury.

Save-A-Patriot Fellowship
Post Office Box 91
Westminster, Maryland 21158
Tel: 410-857-4441
FAX: 410-857-5249

August 19, 1994

[REDACTED]

Fee for the enclosed: 2 Affidavits of R.&R. (35.00 each),
Statement of Citizenship (25.00).

Certified Mail () costs:
Total fee:

95.00

Please return this bill with your payment. If this bill is not returned, your payment will not be credited. Please make your payment with cash (FRN's) or a totally blank U.S. Postal money order Thank you.

Suggested "letter of transmittal" per 26 CFR section 1.1441-5:

[YOUR COMPANY LETTERHEAD]

[DATE MAILED]

Certified Mail No. _____

Internal Revenue Service Center
Philadelphia, PA 19255

Dear Sir/Madam:

I am enclosing herein the duplicate copy of the "Statement of Citizenship" received from [NAME OF THE PERSON SUBMITTING THE STATEMENT], as directed by Code of Federal Regulation 26 CFR 1.1441-5.

If I do not receive a written detailed determination from your office within thirty (30) days of your receipt of this letter, I will continue to obey the above referenced law as it is written.

Sincerely,

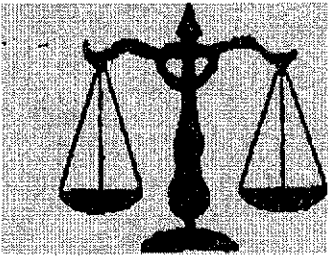
[RESPONSIBLE CORPORATE OFFICER]

Enclosure:

Copy of duplicate "Statement of Citizenship."

cc:

[person who submitted the "Statement..."]



NATIONAL WORKER'S RIGHTS COMMITTEE

12 Carroll Street, Suite 105
Westminster, Maryland 21157
Tel. (410) 857-5444
Fax (410) 857-5249

Certified Mail No.

May 2, 2005

Re: Withholding from [REDACTED]

To Whom It May Concern:

[REDACTED] has authorized us, via his power-of-attorney (copy enclosed), to write to you regarding his having terminated his Form W-4 ("Employee Withholding Allowance Certificate"). [REDACTED] recently informed me that he sent a "termination of voluntary agreement" notice to you, which you will soon receive, if you haven't already. It is my hope that by informing you of the law on this matter, you will discontinue withholding monies from [REDACTED] pay, which would be the legally correct thing to do, as I shall show herein.

I realize that there is much confusion in this area of the law. Indeed, even former Federal District Court Judge Harry Claiborne admitted that, while he was a federal judge, he knew nothing of federal tax law, yet decided tax cases. In *Bursten v. US*, 395 F.2d 976, 981(5th Cir., 1968), the Court acknowledged:

"We must note here, as a matter of judicial knowledge, that most lawyers have only scant knowledge of the tax laws."

Be this as it may, we here at the *National Workers' Rights Committee* have all the tax laws and regulations (state and federal); and the Internal Revenue Manual on computer disks (updated regularly). We have been researching this area of law for over 21 years. Our substantial research of the law conclusively indicates that when a citizen who works for a living in the 50 states of the Union, submits a "Termination of Voluntary Agreement," the legal requirement to withhold monies from payments to said citizen -- such as [REDACTED] ceases to exist.

Many employers--and indeed, even accountants and attorneys--are quite unaware that a withholding agreement can be terminated at any time, pursuant to 26 Code of Federal Regulations § 31.3402(p)-1 (b) (2), which states in relevant part:

§ 31.3402(p)-1 (b) (2) *"An agreement under section 3402(p) shall be effective for such period as the employer and employee mutually agree upon. However, either the employer or the employee may terminate the agreement prior to the end of*

Exhibit 23

"Equal Protection Under The Law"

such period by furnishing a signed written notice to the other. [Emphasis added]

A reading of Internal Revenue Code § 3402 (as well as IRS Publications 15 (Circular E, 1679 and 1281) oftentimes causes people to believe that withholding is required of all employers, regardless of the existence of a withholding agreement, but this is not so. To begin, if withholding *were* required by law in all instances, then no such withholding agreement would be required in the first instance—the employer would just do it. But this is not the case. Indeed, the terms “employer,” “employee” and “wages” are technical terms defined within this chapter of the Internal Revenue Code, which only includes certain individuals for whom withholding is mandatory. Conversely, this does not include those workers such as [REDACTED] for whom there is no valid Form W-4 in effect; in other words, for the purposes of the law [REDACTED] is not an “employee” upon whom withholding is mandatory (once Notice is served). Thus, under § 3402, “employers” are mandated to “deduct and withhold” only from the “wages” paid by that “employer.”

§ 3401 defines “wages” in relevant part as follows:

§ 3401. Definitions

(a) *Wages.*—For purposes of this chapter, the term “wages” means all remuneration ... for services performed by an employee for his employer, ...” [Emphasis added]

And the word “employee” is defined thusly:

§ 3401. Definitions

(c) *Employee.*—For purposes of this chapter, the term “employee” includes an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term “employee” also includes an officer of a corporation.

That definition is not expanded upon anywhere else within the Internal Revenue Code. [REDACTED] is not an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. Neither is [REDACTED] an officer of a corporation. Further, there is no information suggesting that he is or might be within any one of the foregoing classifications wherein withholding is mandatory (in the absence of a valid Form W-4).

It is also worth noting that the IRS regulations governing withholding state no less than 5 times, that the Form W-4 is a request for withholding. For instance:

§ 31.3402 (p)-1 (b) *Form and duration of agreement.* (1)(i) *Except as provided in subdivision (ii) of this subparagraph, an employee who desires to enter into an agreement under section 3402(p) shall furnish his employer with Form W-4*

(withholding exemption certificate) executed in accordance with the provisions of section 3402(f) and the regulations thereunder. The furnishing of such Form W-4 shall constitute a request for withholding.¹

I might also point out that any income taxes [redacted] owes can be paid pursuant to Chapter 2 of the Internal Revenue Code, whereby he would file quarterly much the same as any contractee or self-employed person who owes an income tax.

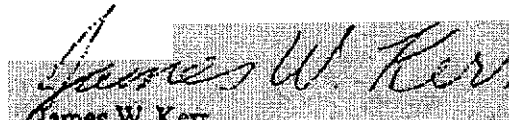
Notwithstanding being informed of the foregoing, some companies, due to their concerns over inadvertent error in IRS matters, choose to go out of their way documenting their compliance with the law, oftentimes requiring their workers to supply a "Statement of Citizenship." [redacted] has informed me that he has provided you with one. This document indemnifies the withholding agent from any penalties arising from not withholding Subtitle A income tax.

If someone, such as an accountant or a lawyer were to advise withholding anyway, you should ask him to cite the law that requires such. He shall not be able to cite any written statute that requires this in the case of [redacted]. Moreover, legally incorrect advice could result in constructive conversion, which is unlawful. In any event, if such individuals are not convinced that the contents of this letter are correct, I would ask that they call me, so that we might discuss this, provide copies of the relevant laws, etc.² After all, it behooves every citizen of this country to abide by our written laws. Or, if you just have a few questions yourself, please do not hesitate to call me at, (410)857-5444.

I thank you for your time and anticipated compliance with [redacted] request to discontinue unauthorized withholding.

for
John B. Kotmair, Jr.
Director,
NWRC
Paralegal Division

Thank You,


James W. Kern,
Investigator

¹ Emphasis mine.

² Furthermore, you can verify the statutory and regulatory cites at any law library; or on the Internet at several sites, including <irs.gov> and <findlaw.com>.

NATIONAL WORKER'S RIGHTS COMMITTEE

Paralegal division
12 Carroll Street
Westminster, Maryland 21157
(410) 857-5444
Fax (410) 857-5249

Instructions for EEOC and DOJ complaints:

We have either found your name in our computer and found that you could be in the process of filing complaints with the EEOC, or the U.S. Department of Justice, against your employer for not accepting the documents related to the Statement of Citizenship, or you have contacted us to assist you in such a matter.

This letter is being sent as there is a change in tactics at this time. Please take notice that if you are in the process of filing an EEOC complaint, and it has either:

- A. not been accepted yet, or;
- B. no response has come yet:

Please immediately inform the EEOC of your giving Power of Attorney to NWRC and its Director John B. Kotmair, Jr. An original of the POA being sent by you immediately will expedite this process.

This is to facilitate a connection between you and NWRC for specific litigation against EEOC. If your case is past points A or B, you are probably already filing a complaint with the Department of Justice. In this case, please inform the DOJ that NWRC and Mr. Kotmair have been appointed by you as your POA in this matter.

The POA master used by NWRC to write to your employer initially will suffice as the POA to be presented in such notification either by your letter or you may indicate this option on the complaint forms sent to you by the Agency.

For those about to file Agency complaint forms, these forms should be sent to NWRC along with three POAs so that we may file the complaint, pursuant to your POA, from the beginning of the process.

We are going to continue to use our initial complaint letter to trigger the Agency to send you the complaint forms.

Should you have any questions pertaining to the process of giving power of attorney, please do not hesitate to call.

Exhibit 24

Statement of Citizenship

Letter from member confirms SOC acceptance

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+-----+
| From the "Reasonable Action" Newsletter |
|                                           |
| S.A.P. Fellowship                       |
| P.O. Box 91                             |
| Westminster, MD 21158                  |
|                                           |
| 410-857-4441 (Voice)                   |
| 410-857-5249 (Fax)                    |
| info@save-a-patriot.org (E-mail)      |
+-----+

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AN INCREASING NUMBER OF EMPLOYERS ARE ACCEPTING STATEMENTS OF
CITIZENSHIP AND COMPLYING WITH THE LAW

To the Editor --

My name is Steve, and I live in New York. I am a Licensed Practical Nurse working for the local hospital in town. During the summer of 1992, I applied for a position with a local health center that was affiliated with another hospital. I learned of the position through an advertisement placed in a local newspaper which said that a part time or per diem position was opening for an L.P.N. and that applications were being taken at their office.

I filled out the application (minus a social security number) and dropped it off at the nursing office. Several weeks went by without a response, and since I was busy with several other private duty positions, I'd pretty much forgotten about the job. Several months passed and one afternoon I was in the grocery store and ran into the nurse that was in charge of the health center. She asked me why I had not applied for the job and I explained to her that I had submitted an application but had not yet been contacted for an interview. She asked me to give her a call at the office and said she would make sure that I was interviewed if I was still interested.

Within a few days the lady who does the hiring contacted me and asked if I could come in for an interview and "fill out the required paperwork." When I arrived at the office I went thru a small orientation. Then I filled out the forms but when she handed me the final form to fill out it was a W-4. I told her that I was not required to file this form and that I did not have a social security number. She said "ALL" Americans are required to file this form so that the proper amount of taxes can be withheld each week. I remained calm and polite but informed her that she was mistaken. I explained that not all Americans were required to do this and that in fact, compliance was voluntary. She was becoming visibly upset with me. I thought it would be wise to explain that I had the documentation she would need to accept my claim and

Exhibit 25

the suggested letter of transmittal supplied by S.A.P. I went thru each and every page and explained to her what it all meant. Then I advised her that the burden of responsibility for these claims rested with me, and that regardless of what she believed, the law required her to forward my "statement of citizenship" to Philadelphia so that they could make a determination. I went on to explain that she would be obeying the law and that there was no reason to fear any repercussions for doing so. I thought that it was important to carefully explain the "Letter of Transmittal" to make sure that it was directed to the I.R.S. in Philadelphia ONLY.

It never seems to fail. No matter how many times you explain this to someone, they will call or write the local office of the I.R.S. instead of Philadelphia. The local office will immediately give the employer incorrect information and then the employer tells the employee, "I told you so."

She was unsure of what to do even after I explained the correct procedure, so she forwarded my paperwork to their main office at the hospital in New York to dump the problem on them. Just as I thought, the Finance Director at the main office ignored the requirements of the law and called the local IRS office to ask what they should do.

Naturally they told her that I was wrong and that I was "required" to file the same W-4 as everyone else.

Well, in the meantime I started to work for the health center. They made the standard deductions without my permission, and I waited to hear from the home office about the disposition of my statement of citizenship not realizing they had contacted the local IRS. It was a month later before the office manager finally informed me that the "Statement of Citizenship" and related paperwork was invalid and that she was under pressure from New York to get a signed W-4 with a social security number. I delayed as long as was possible while trying to explain to the director that she had made a mistake by not following the directions I had given, and that this could all be resolved by simply sending the letter of transmittal to the Philadelphia Office of the IRS. She refused, and kept taking money from my paycheck each week.

I decided it was time to call Save-A-Patriot. After talking with Irma in the National Workers Rights department, she wrote a letter to the New York office to explain the law. About a week or so later I received an inter-office memo from the home office with a check for \$224.00 and a letter of apology from the Finance Director. She said that she had never encountered a situation such as this, and was returning what they had deducted up until that time to cover state and federal taxes. Not only did I receive a complete refund, but I am currently receiving my full paycheck with no deductions and they no longer want a W-4 or a social security number.

[END]

Back to Reasonable Action...

Concerning:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] (SS-5 revoked)

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):
John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

March 11, 2005

Certified Mail No. 7004 1160 0002 9216 6371

Re: Letter 1862, dated February 25, 2005.

Scott B. Prentky, Director
Internal Revenue Service Center
1973 Rulon White Blvd.
Ogden, UT 84404

RECEIVED IN CORRES
IRS - OSC -575

MAR 17 2005

Dear Mr. Prentky:

This letter is a written protest to the Letter 1862, dated February 25, 2005. It is submitted pursuant to instructions in Internal Revenue Service Publication 5, *Your Appeal Rights and How to Prepare a Protest If You Don't Agree*. I want to appeal the examination to the appeals office and I hereby request a conference on behalf of [REDACTED] for the year you have proposed an adjustment: 2003. Since this appeal confines its subject matter to challenging the proposed assessment within the scope of the Internal Revenue Laws, as described in Publication 5, an appeals conference is an authorized and available appeal right to [REDACTED] Pursuant to that publication, this letter is to serve as the statement of facts and statement of law relied on by the appellant, and the attachment is to serve as the schedule of disputed issues.

Your use of Letter 1862 must be in error. [REDACTED] has informed me that he did not make or file any type of tax return for the year 2003 that could be "examined." Nor did he make any agreement with or request any assistance from anyone employed by the Internal Revenue Service pursuant to 26 U.S.C. § 6020(a) involving anything relating to those years. Therefore, how could there have been an examination of a tax return that never has existed?

"The taxpayer return is considered the account." Internal Revenue Manual Chapter 3, § 3(17)(46)1.2(10)(a).

On the worksheets enclosed with the Letter 1862, no specific sources or payers are shown under the heading "Adjustments to Income." Before an appeal can proceed, [REDACTED] must be informed as to the actual sources of the income upon which the IRS has based this proposed

assessment. According to the form 886-A, "if you need a list of the payers and amounts of the income reported to the Internal Revenue, you may request this information in writing." Therefore, please also consider this letter a request for such information.

Further, although your letter states "we previously asked you to send us your federal income tax return (Form 1040, 1040A or 1040EZ) for the tax period(s) shown above," [REDACTED] has no record of receiving any such request(s). Therefore, in your reply, please provide copies of any such requests you claim to have been sent.

Please also be aware of the following facts and laws concerning the alleged requirement for [REDACTED] to file an income tax return:

[REDACTED] is a citizen of the State of Maryland and not a 'taxpayer' as that legal term is defined in IR Code Section 7701(a)(14). With reference to withholding, he is not an alien, foreign corporation, officer, director, stockholder or employee of a foreign corporation, withholding agent, nor a citizen of the United States living and working abroad or in a possession of the United States. Mr. Linder does not reside in a federal enclave within any of the States and/or without the States of the Union, nor does he reside in any federal state.

Regarding a specific requirement to file an income tax return, Mr. Linder read Title 26 United States Code § 6012, *PERSONS REQUIRED TO MAKE RETURNS OF INCOME*, which states as follows:

"(a) General Rule. —Returns with respect to income taxes under subtitle A shall be made by the following:

(1)(A) Every individual having for the taxable year gross income which equals or exceeds the exemption amount, except that a return shall not be required of an individual ..."

[REDACTED] then went to Subtitle A and found that Chapter 1 was *NORMAL TAXES AND SURTAXES*; that Subchapter A was for the purpose of *DETERMINATION OF TAX LIABILITY*; that PART I of Subchapter A was *TAX ON INDIVIDUALS*; and further, that § 1 was *TAX IMPOSED*.

In order to find the proper return to use to report any tax liability, he checked *PART 602* of the Internal Revenue Regulations. According to the listing for §1, it appears that the Office of Management and Budget assigned the identifying OMB Control Number 1545-0067 to the tax return to be used. Checking the list of approved forms published by the Office of Management and Budget, it identified that tax form to be Form 2555, *FOREIGN EARNED INCOME*. Mr. [REDACTED] has informed me that he did not earn any foreign earned income during this period. If there is some clerical error, or the National Office of the Internal Revenue Service listed the wrong form to be reviewed on the application for review to the OMB, please notify me and I will relay this information to [REDACTED]

Due to the fact that § 6012 did not list any requirement for Subtitle C, Mr. Linder did not bother to check for any form to be used for employment taxes.

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IRS - OSC - 575
MAR 17 2003

Also, because you are basing this action on the provisions of Subtitle C, it is outside the authority of 26 U.S.C. § 6211, and subsequently § 6212; and in violation of §§ 6061 and 6065. Therefore, we insist that this notice be abated pursuant to 26 U.S.C. §§ 6213(b)(2) and 6404(a)(3).

If you are planning to continue pressing this claim of assessment, please cite the statutory authority that you claim to be acting in pursuance thereof.

Mr. Prentky, for the above reasons you can consider this letter as a challenge to your authority. I believe the circumstantial facts involving this matter are reason enough to put you on notice that this is a wrongful assessment procedure. If you do not respond within 30 days of your receipt of this protest granting a conference, I demand that you forward [REDACTED] appeal rights. If the above enumerated facts are not rebutted individually, they will be presumed to be correct.

I declare that I have examined the statement of facts presented in this protest and in any accompanying schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

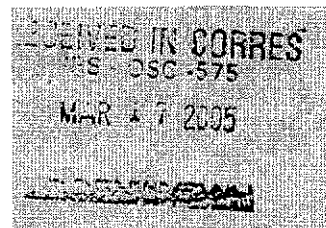
Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.

John B. Kotmar, Jr.

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IRS - OSC - 675

MAR 17 2005

Enclosures: Original Power-of-Attorney; copy of Letter 1862 dated February 25, 2005; Schedule of Disputed Issues; Copy of 26 CFR Part 602; copy of Form 2555.



Schedule of Disputed Issues

- (1) [REDACTED] has not filed a tax return that could be examined. Without this a "deficiency" in the "tax shown by the taxpayer on his return" under 26 USC 6211 cannot be justified, nor can a deficiency assessment be made under 26 USC 6212.
- (2) [REDACTED] has neither signed a tax return under 26 USC 6020(a) or substitute agreement, nor consented to provide any information for the purpose of preparing a return under 26 USC 6020(a).
- (3) The notice received by [REDACTED] was not authenticated pursuant to 26 USC §§ 6061 and 6065.
- (4) The notice received by [REDACTED] contains no evidence whatsoever of the sources of the income alleged by the notice.
- (5) According to the notice, certain amounts supporting the proposed assessment were includable under Gross Income under Subtitle A, Title 26, United States Code. The form submitted to the Office of Management and Budget by the National Office of the Internal Revenue Service, for payment of Income Taxes by individuals under Subtitle A, applies (and is limited) to "foreign-earned income." [REDACTED] has not engaged in any activity outside of a State of the union for the period of the notice. Due to the fact that [REDACTED] does not have an income tax liability under Subtitle A, there can be no ~~valid~~ assessment under 26 USC 6212.
MAR 17 2005
- (6) According to the notice, certain amounts alleged to support the assessment were wages, which are limited to the provisions of Subtitle C of the Internal Revenue Code. As such, they are outside of the "deficiency" assessment authority in 26 USC §§ 6211 and 6212, because those sections restrict the sending of a deficiency notice to cases of tax returns filed under "subtitle A or B or chapter 41, 42, 43 or 44 [subtitle D]" of the Code.

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

[REDACTED] a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1999 through and including 2005.

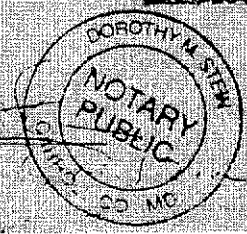
On this 10 day of March, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.

Thomas E. Levin
[REDACTED]

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IRS - OSC -575

Subscribed and sworn to before me, a Notary Public, of the State of MD of Prince Georges County of Prince Georges on this 10 day of March, 2005.

[Signature]
Notary Public



My Commission Expires On: October 7, 2006

Concerning:

IRS Reference Number: 521-84-6974 (Revoked March 28, 1998)

Person making response via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post-Office Box 91, Westminster, MD 21158

March 11, 2005

Certified Mail No. 7004 1160 0002 9216 6289

Re: CP 504, Notice of Intent to Levy, dated January 17, 2005, concerning 2002

Scott B. Prentky, Director
Internal Revenue Service Center
1973 Rulon White Blvd.
Ogden, UT 84404

Dear Mr. Prentky:

[REDACTED] has forwarded to me for response the enclosed Notice of Intent to Levy dated January 17, 2005. In addition to the deficiencies of the Notice itself, it appears that it has also been sent to [REDACTED] in error. The requirement for this Notice is set out in Internal Revenue Code (IRC) § 6331(d)(1), which states:

MAR 17 2005

“(d) Requirement of notice before levy.--

(1) In general.—Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax *only after the Secretary has notified such person in writing of his intention to make such levy.*”
[Emphasis added]

It can be seen that this notice is a necessary step before levy can be made pursuant to subsection (a), which states:

“(a) Authority of Secretary.—If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment

of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section." [Emphasis added]

This subsection establishes two further requirements that must be met before a levy can lawfully proceed. The first requirement is that the person *must be liable for* the tax. This requirement has not been met in [REDACTED] case. You are surely aware that there is no statute within Title 26 which makes [REDACTED] personally liable for (or subject to) the tax you are attempting to (unlawfully) collect. Therefore, he could not possibly be liable for the tax referenced on your Notice. This lack of statutory liability removes him from the class of persons who are subject to have their property levied upon.

If you contend that [REDACTED] has been made statutorily liable for the tax you are attempting to collect, then we demand that you cite such statute, and explain how such statute relates to him specifically. Unless and until you provide evidence of [REDACTED] statutory liability, any further attempts to collect the amounts referenced in your Notice must be considered to be willful actions, known to have no lawful basis, and thus, outside the scope of your lawful authority. You should be aware that in the case of Bothke v. Fluor Engineers and Constructors, Inc., (713 F.2d 1405), the United States Court of Appeals for the Ninth Circuit held:

"Second, the taxpayer must be liable for the tax. Id. Tax liability is a condition precedent to the demand. Merely demanding payment, even repeatedly, does not cause liability."

Another thing you may want to consider is that this Court also ruled that IRS employees, when acting outside their lawful authority, do not enjoy the immunity they are granted when acting within the scope of that authority. Therefore, actions taken outside of your limited lawful authority will expose you to liability in your personal capacity.

The second requirement to be met before a levy can be made is the sending of a Notice and Demand pursuant to IRC § 6303(a), which states:

§ 6303. Notice and demand for tax

(a) General rule.—Where it is not otherwise provided by this title, the Secretary shall, as soon as practicable, and *within 60 days*, after the making of an assessment of a tax pursuant to section 6203, give notice to each *person liable for the unpaid tax*, stating the amount and demanding payment thereof. Such notice shall be left at the dwelling or usual place of business of such person, or shall be sent by mail to such person's last known address." [Emphasis added]

[REDACTED] has no record of ever receiving this required Notice and Demand for tax. If you contend that such Notice has been sent, then forward a copy of this Notice, so that he can verify that this requirement has been met. Please also take note that this subsection again clearly establishes that this notice must be sent to the "*person liable for the unpaid tax*," and as previously mentioned, you have yet to provide any evidence that [REDACTED] [REDACTED] is statutorily liable for the tax at issue.

Furthermore, on September 10, 2004, I mailed to you a Petition for Abatement pursuant to IRC § 6404(a)(3) on behalf of [REDACTED] received by your office on September 17, 2004, and as of this date that petition has not been addressed.

In addition to the defects in the process referenced above, the Notice itself is defective. The most glaring of these defects is that the Notice is not signed under penalty of perjury as required by Internal Revenue Code (IRC) § 6065. The words used by Congress in enacting this statute leave no doubt that this requirement applies to ALL returns, declarations, statements, and documents. Otherwise, Congress would have qualified this requirement by making it apply to the documents "required to be made *by the taxpayer* under any provision of the internal revenue laws." Since they did not qualify it in this way, the statute must be construed to include those documents required to be made by the Internal Revenue Service.

Next, this Notice does not comply with the requirements of IRC § 6331(d)(4), which states:

"(d) Requirement of notice before levy.

... (4) Information included with notice.

The notice required under paragraph (1) shall include a brief statement which sets forth in simple and nontechnical terms-

(A) the provisions of this title relating to levy and sale of property.

(B) the procedures applicable to the levy and sale of property under this title.

(C) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals.

(D) the alternatives available to taxpayers which could prevent levy on the property (including installment agreements under section 6159).

(E) the provisions of this title relating to redemption of property and release of liens on property. and

(F) the procedures applicable to the redemption of property and the release of a lien on property under this title."

I could not find this information anywhere in your Notice, thus rendering it invalid. Further, the Notice is also deficient in that it doesn't contain the information required to be included by IRC § 6330(a)(3), relating to due process hearings, thus prohibiting the initiation of any levy actions.

Finally, if you intend to levy against property belonging to Mr. Margitich, then be aware of IRC § 6502(b), which states:

"(b) Date when levy is considered made.

The date on which a levy on property or rights to property is made shall be the date on which the notice of seizure provided in section 6335(a) is given." [Emphasis added]

IRC § 6335(a) states:

"(a) Notice of seizure.--As soon as practicable *after seizure of property, notice in writing shall be given* by the Secretary to the owner of the property (or, in the case of personal property, the possessor thereof), or shall be left at his usual place of abode or business if he has such within the internal revenue district where the seizure is made. If the owner cannot be readily located, or has no dwelling or place of business within such district, the notice may be mailed to his last known address. Such notice shall specify the sum demanded and shall contain, in the case of personal property, an account of the property seized and, in the case of real property, a description with reasonable certainty of the property seized." [Emphasis added]

It is clear from these two sections that a levy is not considered made until AFTER the seizure of property, as only then can a notice of seizure be given. Further, in the case of United States v. O'Dell, (160 F.2d 304), the Sixth Circuit Court of Appeals made the following statements:

"Levy is not effected by mere notice. Hollister v. Goodale, 8 Conn. 332, 21 Am.Dec. 674; Meyer v. Missouri Glass Co., 65 Ark. 286, 45 S.W. 1062, 67 Am.St.Rep. 927; Jones v. Howard, 99 Ga. 451, 27 S.E. 765, 59 Am.St.Rep. 231." [Emphasis added]

"The method for accomplishing a levy on a bank account is the issuing of warrants of distraint, the making of the bank a party, and the serving with notice of levy, copy of the warrants of distraint, and notice of lien. Cf. Commonwealth Bank v. United States, 6 Cir., 115 F.2d 327; United States v. Bank of United States, D.C., 5 F.Supp. 942, 944." [Emphasis added]

Therefore, any Notices of Levy which are not accompanied by copies of the warrants of distraint, and the notices of liens, are fraudulent on their face. Any attempt to use such fraudulent levies to seize [REDACTED] property is a violation of his rights and will be prosecuted to the fullest extent of the law.

In conclusion, the collection actions which you are taking against [REDACTED] are unlawful for the reasons set out herein, and your continuation of such collection actions will henceforth be considered willful actions on your part. This letter will serve as evidence that you have been made aware of the unlawfulness of these actions, so that you can be held personally responsible for any damages your actions cause to [REDACTED]. You should also be aware that IRC § 7214, shown in part below, prescribes criminal penalties for knowingly demanding greater sums than are authorized by law.

§ 7214. Offenses by officers and employees of the United States

"(a) Unlawful acts of revenue officers or agents.--Any officer or employee of the United States acting in connection with any revenue law of the United States--

... (2) who knowingly demands other or greater sums than are authorized by law, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or ...

shall be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both. The court may in its discretion award out of the fine so imposed an amount, not in excess of one-half thereof, for the use of the informer, if any, who shall be ascertained by the judgment of the court. The court also shall render judgment against the said officer or

employee for the amount of damages sustained in favor of the party injured, to be collected by execution." [Emphasis added]

Mr. Prentky, I believe the facts involving this matter are reason enough to put you on notice that this is a wrongful assessment procedure, and I am moving you to abate the same. If, at the time of your receipt of this letter, property belonging to [REDACTED] has been taken from third parties, or wrongfully from him, we demand it be returned immediately. If you do not stop this wrongful assessment procedure, or return property that may have been taken, you can be assured [REDACTED] will seek redress in the Federal District Court.

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR § 601.502(a)(1) and (2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

Under penalty of perjury, I declare that the foregoing is true to the best of my knowledge and belief.



John B. Kotmair, Jr.

Enclosures: Original Power-of-Attorney; copy of the CP 504, Notice of Intent to Levy, dated January 17, 2005.

cc: [REDACTED]

Lynne Walsh, Director
Internal Revenue Service Center
P.O. Box 400, 1040 Waverly Ave.
Holtsville, NY 11742

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

Because of the Privacy Act of 1974, written authorization is required by the Individual before any information can be given to another individual or organization

Pursuant to the authority in 26 CFR § 301.6103 (c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at §10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster Maryland 21158, permission to investigate this matter for me.

[REDACTED] member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1995 through and including 2004.

On this 11th day of February, 2005, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.

Mark A. M... [REDACTED]

Subscribed and sworn to before me, a Notary Public, of the State of Massachusetts, County of Dorchester, on this 11th day of February, 2005

[Signature]
Notary Public

My Commission Expires On: October 1, 2010

DEIVED IN COPIES
3 - OSC-575
MAR 17 2005

[REDACTED]

Concerning:

James O. Jarvis

[REDACTED]

[REDACTED]

[REDACTED] (Form SS-5 revoked 06/10/94)

Person making request via attached Power-of-Attorney pursuant to 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a), 26 CFR § 601.502(b)(5)(ii) and Treasury Circular No. 230, at § 10.7(c)(1)(iv):

John B. Kotmair, Jr., Representative Number 2605-47815R
Post Office Box 91, Westminster, MD 21158

September 23, 2004

Certified Mail No. 7004 0750 0000 8134 2764

B. Lee Wilson
Operations Manager, ACS Support
Internal Revenue Service Center
5333 Getwell Road, Stop 8423
Memphis, TN 38118

Exhibit 28

Dear Ms. Wilson:

I am in receipt of your letter, dated August 25, 2004, regarding the Power of Attorney Mr. Jarvis gave me to represent him before the Internal Revenue Service.

In your letter you state, "you have no power of attorney on file with the I R S. Please complete all requested information on the enclosed Form 2848" Therefore, to satisfy your request, I am enclosing Form 2848. According to 26 CFR § 601.503 (b)(2):

Other documents. The Internal Revenue Service will accept a power of attorney other than Form 2848 provided such document satisfies the requirements of § 601.503(a). However, for purposes of processing such documents onto the Centralized Authorization File (see § 601.506(d)), a completed Form 2848 must be attached. (In such situations, Form 2848 is not the operative power of attorney and need not be signed by the taxpayer. However, the Declaration of Representative must be signed by the representative.)

Since the original Power of Attorney satisfies the requirements of § 601.503(a), the attached Form 2848 need not be signed by Mr. Jarvis. Also, notwithstanding the statement that the Declaration of Representation must be signed by the representative, I must decline to do so, as I do not fall within a representative status that is listed on the form. Therefore, I would be committing perjury by signing such form, and so I must revert back to the regulations and adhere to them as strictly as possible.

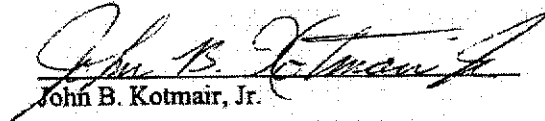
If there are any further questions or problems in regards to this issue, please contact me at the above address.

Page 1 of 2

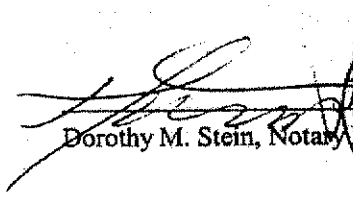

I hereby declare that:

1. I am not currently under suspension or disbarment from practice before the Internal Revenue Service or other practice of my profession by any other authority;
2. I am aware of the regulations contained in Title 31 CFR part 10 concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries and others;
3. I am authorized to represent the individual identified in the power of attorney;
4. I am an individual described in Title 26 Code of Federal Regulation Part 600, at 26 CFR §601.502(a)(1)and(2), §601.502(b)(5)(ii) and in Circular 230 at §10.7(c)(1)(iv); and
5. the original attached Power-of-Attorney is valid under the laws of the State of Maryland.

The foregoing is true to the best of my knowledge and belief.


John B. Kotmair, Jr.

By my seal and signature, I affirm that John B. Kotmair, Jr., personally known to me, did appear before me, a Notary Public of the State of Maryland, County of Carroll, this 23rd day of September, 2004, and swear to and affix his signature to this document.


Dorothy M. Stein, Notary Public
 My Commission Expires On October 1, 2005.

Enclosure: Copy of your letter, dated August 25, 2004; Original Power of Attorney; Form 2848.

● [REDACTED]

Power of Attorney and Declaration of Representative

▶ See the separate instructions.

OMB No. 1545-0150
For IRS Use Only
Received by: _____
Name _____
Telephone _____
Function _____
Date ____/____/____

Power of Attorney (Type or print.)

1 Taxpayer information. Taxpayer(s) must sign and date this form on page 2, line 9.		
Taxpayer name(s) and address See attached Power of Attorney.	Social security number(s) See attached Power of Attorney	Employer identification number
	Daytime telephone number ()	Plan number (if applicable)

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.	
Name and address John B. Kotmair, Jr. P.O. Box 91 Westminster, Maryland 21158	CAF No. 2605-47815R Telephone No. (410) 857-4441 Fax No. Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address	CAF No. Telephone No. Fax No. Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address	CAF No. Telephone No. Fax No. Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters		
Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (See the instructions for line 3.)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s)
Income and Employment	all related tax forms	See attached Power of Attorney

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. **Specific uses not recorded on CAF.**

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the authority to execute a request for a tax return, or a consent to disclose tax information unless specifically added below, or the power to sign certain returns. See the instructions for Line 5, **Acts authorized.**

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____
To represent the person named in the attached Power of Attorney in all ways before the _____
Internal Revenue Service. _____

Note: In general, an unenrolled preparer of tax returns cannot sign any document for a taxpayer. See Revenue Procedure 81-38, printed as Pub. 470, for more information.

Note: The tax matters partner of a partnership is not permitted to authorize representatives to perform certain acts. See the separate instructions for more information.

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ **N/A**

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2 unless you check one or more of the boxes below.
- a If you want the first representative listed on line 2 to receive the original, and yourself a copy, of such notices or communications, check this box
 - b If you also want the second representative listed to receive a copy of such notices and communications, check this box
 - c If you do not want any notices or communications sent to your representative(s), check this box
- 8 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here.
- YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**
- 9 Signature of taxpayer(s).** If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.
- ▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

Not required pursuant to 26 CFR § 601.503 (b)(2)

Signature	Date	Title (if applicable)
Print Name		
Signature	Date	Title (if applicable)
Print Name		

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the separate instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d Officer—a bona fide officer of the taxpayer's organization.
 - e Full-Time Employee—a full-time employee of the taxpayer.
 - f Family Member—a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d)(1) of Treasury Department Circular No. 230).
 - h Unenrolled Return Preparer—an unenrolled return preparer under section 10.7(c)(1)(viii) of Treasury Department Circular No. 230.

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.

Designation—Insert above letter (a–h)	Jurisdiction (state) or Enrollment Card No.	Signature	Date
		See Declaration of Representative on attached letter.	

**PRIVACY ACT RELEASE FORM
AND POWER OF ATTORNEY**

RECEIVED
MAMC CAF DEPT

SEP 29 2004

705

Because of the Privacy Act of 1974, written authorization is required by the individual before any information can be given to another individual or organization.

Pursuant to the authority in 26 CFR § 301.6103(c)-1, 26 CFR § 601.502(a)(1) and (2), 26 CFR § 601.502(b)(5)(ii) and Treasury Department Circular No. 230, at § 10.7(c)(1)(iv), this form will give John B. Kotmair, Jr., (Representative Number: 2605-47815R), of Post Office Box 91, Westminster, Maryland 21158, permission to investigate this matter for me.

[REDACTED] (Form SS-5 revoked 06/10/94), a member of the Save-A-Patriot Fellowship, do hereby give to John B. Kotmair, Jr., the Fiduciary of Save-A-Patriot Fellowship, permission to represent, inquire of and procure from the Internal Revenue Service any and all of the records, pertaining to income taxes, to include income tax returns (1040, 1040A, related forms and assessment records) maintained within any of the Internal Revenue Service Offices, regarding the following years: 1990 through and including 2004.

On this 16th day of September, 2004, I hereby certify that I am the individual making this Power of Attorney, to John B. Kotmair, Jr., and that I have a "material interest" in the information within the documents sought.

James O. Jarvis
James O. Jarvis

Subscribed and sworn to before me, a Notary Public, of the State of Kentucky, County of Boyd, on this 16 day of September, 2004.

Ellen Hamilton
Notary Public

My Commission Expires On: 4-11-06

UNITED STATES DEPARTMENT OF JUSTICE
EXECUTIVE OFFICE FOR IMMIGRATION REVIEW
OFFICE OF THE CHIEF ADMINISTRATIVE HEARING OFFICER

April 30, 1997

JAMES O. JARVIS,)
Complainant,)
)
v.) 8 U.S.C. 1324b Proceeding
) OCAHO Case No. 97B00024
AK STEEL,)
Respondent.)
_____)



**ORDER OF DISMISSAL AND SCHEDULE FOR BRIEFING
ON ATTORNEYS' FEES REQUEST**

I. Background

On November 18, 1996, James O. Jarvis¹ (complainant or Jarvis) commenced this private action by having filed a Complaint with the Office of the Chief Administrative Hearing Officer (OCAHO) alleging citizenship status discrimination and document abuse in violation of the Immigration Reform and Control Act of 1986 (IRCA), 8 U.S.C. §1324b(a)(1)(B) and the Immigration Act of 1990 (IMMACT), 8 U.S.C. §1324b(a)(6).

On December 5, 1996, a Notice of Hearing on Complaint Regarding Unfair Immigration-Related Employment Practices, together with a copy of the Complaint, were served on respondent by

¹Jarvis has filed a document titled Privacy Act Release Form and Power of Attorney authorizing John B. Kotmair, Jr., who is not an attorney, to represent him in this matter. In fact, the Complaint in this action was not signed by Jarvis, but by Kotmair. While the rules applicable to this proceeding are not entirely clear as to the question of lay representation, absent objection by the respondent, I will accept Kotmair's appearance on behalf of Jarvis in this matter. 28 C.F.R. §68.33; *Costigan v. NYNEX*, 6 OCAHO 918, at 12 fn. 13 (1997) (lay representation may not be permitted if there are reasonable concerns about competence or ethical standards).

certified mail, return receipt requested. Respondent acknowledged receipt of that notice on December 9, 1996.

The Complaint was filed following complainant's receipt of the United States Department of Justice Office of Special Counsel (OSC) determination letter dated August 20, 1996, informing him that it had determined that there was "insufficient evidence of reasonable cause to believe these charges state a cause of action under 8 U.S.C. §1324b." For that reason, OSC also informed complainant that it was declining to file an action on his behalf before an administrative law judge assigned to this Office and that he was entitled to file a private action directly with this Office.

More particularly, in 1958 Jarvis was hired by AK Steel as a machinist, repairing equipment and manufacturing parts, in that firm's facilities located in Ashland, Kentucky, where Jarvis resides. Jarvis voluntarily retired in 1996. Jarvis alleges that respondent committed document abuse by having refused to accept two (2) documents, a self-created "Statement of Citizenship" and "Affidavit of Constructive Notice," which purport to demonstrate that he is not subject to withholding of federal tax from his wages and that section 1324b(a)(6) requires an employer to honor those documents and discontinue withholding. Jarvis also alleges that he was discriminated against based upon his citizenship status, but has not provided a statement of facts in support of that charge.

Jarvis seeks an award of back pay from October 6, 1994.

This case is another in a series of tax protester cases that have recently been filed in this Office. *See, e.g., Lee v. Airtouch Communications*, 6 OCAHO 901 (1996); *Horne v. Town of Hampstead*, 6 OCAHO 906 (1997); *Wilson v. Harrisburg School District*, 6 OCAHO 919 (1997); *Winkler v. Timlin Corporation*, 6 OCAHO 912 (1997); *Boyd v. Sherling*, 6 OCAHO 916 (1997); *Costigan v. NYNEX*, 6 OCAHO 918 (1997); *Austin v. Jitney-Jungle Stores of Am., Inc.*, 6 OCAHO 923 (1997). Most of these complaints, advancing the same theories as here, were filed and pursued by Kotmair and the National Worker's Rights Committee and were dismissed at an early stage on motions to dismiss for lack of jurisdiction or for failure to state a claim or both. In at least one case, *Lee v. Airtouch*, respondent was awarded its costs and attorneys' fees. 7 OCAHO 926 (1997).

On January 6, 1997, respondent's attorney timely filed an answer denying that the respondent had committed any violations of IRCA and averring, among other things, that the Complaint fails to state a claim upon which relief can be granted, that the claims are barred by the applicable statute of limitations, and that the allegations in the Complaint are moot.

On January 21, 1997, respondent filed a pleading captioned Motion to Dismiss and on January 27, 1997, complainant filed a reply in opposition to that motion.

II. *Standards of Decision*

Presently pending is the respondent's motion of January 21, 1997, to dismiss the Complaint in its entirety, pursuant to OCAHO Rules of Practice and Procedure, 28 C.F.R. §68.10, and for an award of those attorney's fees and costs incurred in defense of this matter. In support of its motion, the respondent describes with some precision the factual circumstances upon which this case is premised and argues, among other things, that complainant's allegations have nothing to do with the purpose and scope of section 1324b, and that the Complaint wholly fails to state a claim upon which any sort of relief might be granted.

The procedural regulations governing these proceedings provide for the dismissal of a complaint where the administrative law judge determines, upon motion by respondent, that complainant has failed to state a claim upon which relief can be granted. 28 C.F.R. §68.10.

This procedural regulation is similar to and based upon Rule 12(b)(6) of the Federal Rules of Civil Procedure, which has accordingly been used as a guidepost by the Administrative Law Judges in this Office in issuing orders pursuant to motions to dismiss under section 68.10.

In considering a motion to dismiss, the court must limit its analysis to the four corners of the complaint. *Udala v. NYS Dept. of Education*, 4 OCAHO 633, at 4 (1994); *LaBounty v. Adler*, 933 F.2d 121, 123 (2d Cir. 1991) (Rule 12(b)(6) does not give the court authority to consider matters outside the pleadings; it simply delineates the procedures which must be followed in testing the legal sufficiency of a complaint). The court may, however, consider documents

incorporated into the complaint by reference and materials subject to judicial notice. *Udala*, at 5.

The court must also accept the complainant's allegations of fact as true, along with such reasonable inferences as may be drawn in the complainant's favor. Therefore, a complaint should not be dismissed for failure to state a claim unless the complainant can prove no set of facts in support of its claim that would entitle it to relief. *Conley v. Gibson*, 355 U.S. 41, 45–46 (1957).

III. Analysis

Complainant has alleged that respondent committed two (2) unfair immigration-related employment practices namely, discrimination based upon his citizenship status and document abuse. For the reasons set forth more fully below, respondent's motion to dismiss those claims is being granted for failure to state a claim upon which relief can be granted and because this Office lacks subject matter jurisdiction.

A. Citizenship Status Discrimination

With respect to complainant's initial claim of citizenship status discrimination, IRCA provides:

§1324b. Unfair immigration-related employment practices

(a) Prohibition of discrimination based on . . . citizenship status

(1) General rule

It is an unfair immigration-related employment practice for a person or other entity to discriminate against any individual (other than an unauthorized alien, as defined in section 1324a(h)(3) of this title) with respect to the hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment—

(B) in the case of a protected individual (as defined in paragraph (3)), because of such individual's citizenship status.

The respondent accurately notes in its brief that section 1324b prohibits discrimination against any protected individual based on the individual's citizenship status with respect to the hiring or discharge of that employee. In order to state a *prima facie* case of citizenship status discrimination, there must be some claim or allegation that the individual is being treated less favorably than others because of the individual's citizenship status. *See Lee v. Airtouch*

Communications, 6 OCAHO 901, at 10 (1996) (“disparate or differential treatment is the essence of a discrimination claim”).

The burden of stating a *prima facie* case of disparate treatment under IRCA is quite simple. A complainant must allege 1) he is a member of a protected class; 2) the employer had an open position for which he applied or was discharged; 3) he was qualified for the position; and 4) he was rejected or discharged under circumstances giving rise to an inference of unlawful discrimination. *Id.* Excepting the first element, that Jarvis, as a United States citizen, is a protected individual, none of the remaining elements are satisfied here.

Having carefully reviewed the Complaint, and the letter signed by Jarvis’s representative Kotmair submitted simultaneously setting forth legal theories on why he is not subject to federal tax withholding, I find no allegations of discriminatory refusal to hire or discriminatory discharge. That deficiency makes that portion of the Complaint alleging citizenship status discrimination insufficient as a matter of law. *See, e.g., Costigan v. NYNEX*, 6 OCAHO 918, at 9 (1997). Indeed, as the respondent has argued, since it is undisputed that Jarvis has been employed at AK Steel since 1958, and voluntarily retired in 1996, complainant cannot make those factual assertions.²

Ordinarily once a complainant states a *prima facie* case, the burden of production shifts to the employer to present a legitimate non-discriminatory reason for its employment action. *St. Mary’s Honor Center v. Hicks*, 509 U.S. 502 (1993). However, if the complainant fails to plead a *prima facie* case, the inference of discrimination never arises and the employer has no burden of production, and the complaint is dismissed.

Complainant’s reply to respondent’s motion to dismiss is also unavailing. That submission contains conclusory allegations and misstatements of law. For example, complainant states:

It is quite clear that Respondent’s refusal to honor Complainant’s Statement of Citizenship and Affidavit of Constructive Notice, which meet the statutory and regulatory specifications as “documents tendered that on their face reasonably appear to be genuine”, is a prohibited *documentation abuse* which constitutes prohibited *discrimination* against the Complainant *due to his citizenship status* under 8 U.S.C. §1324b. (emphasis in original)

²The respondent has asserted that Jarvis voluntarily retired in 1996. Complainant has not disputed that assertion.

Complainant's Reply to Respondent's Letter to Dismiss filed February 12, 1997, at p. 3. I am unaware of any OCAHO case holding that document abuse, even if proven, also constitutes illegal citizenship status discrimination under IRCA. It would be impossible to reach that conclusion because each of those illegal employment practices is separate and distinct, and contain different elements of proof. Neither is that conclusory argument required to be accepted in the posture of a motion to dismiss where the inquiry is whether complainant has stated a viable claim allowing some type of relief. By having failed to make elemental factual allegations, either that he was rejected or discharged from employment, complainant's claim of citizenship status discrimination must be dismissed.

Moreover, section 1324b(g)(C) bars an award of back pay "if the individual was refused employment for any reason other than discrimination on account of national origin or citizenship status." *Horne v. Hampstead*, 6 OCAHO 906, at 5 (1997). Therefore, since it is undisputed that Jarvis was not refused employment and continued employment after October 6, 1994, until he voluntarily retired in 1996, an award of back pay is precluded as a matter of law.

In view of the foregoing, respondent's motion is granted as it pertains to complainant's citizenship status discrimination claim, and that claim is hereby ordered to be and is dismissed, with prejudice to refiling.

B. *Document Abuse*

Having disposed of complainant's first cause of action, a consideration of respondent's motion to dismiss complainant's final cause of action, that of document abuse, is now in order.

The document abuse provisions of IRCA, 8 U.S.C. §1324b(a)(6)³, provide that it is an unfair immigration-related employment practice for an employer to request more or different documents, or to refuse to honor documents tendered that on their face reasonably appear to be genuine, for purposes of satisfying the requirements of the employment verification system, 8 U.S.C. §1324a(b). The employ-

³This section was amended by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Pub. L. 104-208. Because that amendment applies only to unlawful immigration-related employment practices committed after September 30, 1996, it is inapplicable in this proceeding.

ment verification system, among other things, requires an employer to verify at the time of hire that its employees are eligible to work in the United States by inspecting identity and work eligibility documents specified by the INS and provided by the employee.

In order to state a *prima facie* case of document abuse, the complainant must allege at a minimum that the employer requested documents for purposes of satisfying the employment verification system.

In his Complaint, Jarvis contends at ¶16:

The Business/Employer refused to accept the documents that I presented [to show I can work in the United States].

a) The Business/Employer refused to accept the following documents: Statement of Citizenship and Affidavit of Constructive Notice which prove my citizenship, protection under the law, and right to full payment of all wages as U.S. citizens are not subject to Subtitle A or C of the IRC unless they volunteer to be subject.

Jarvis has crossed out the language in his Complaint "to show I can work in the United States," thus he is not alleging that AK Steel requested documents to satisfy the employment verification system.

His claim merely consists of an allegation that he tendered two (2) documents, a Statement of Citizenship and Affidavit of Constructive Notice, for the purpose of demonstrating that he is not subject to certain provisions of the Internal Revenue Code, and that AK Steel refused to accept those documents and acknowledge his alleged exemption from federal tax withholding.

The documents which may be utilized by an employer for the purpose of verifying identity and employment eligibility under 8 U.S.C. §1324a(b) are enumerated in the regulations implementing the employer sanctions provisions of IRCA, at 8 C.F.R. §274a.2(b). A Statement of Citizenship and Affidavit of Constructive Notice do not appear on that list. Therefore, even assuming that AK Steel had requested documents to verify his employment eligibility, those documents are not valid for that purpose, and thus a refusal to accept them would not constitute a document abuse violation.

In reply to respondent's motion, Jarvis states that "[r]espondent plainly refused to honor Complainant's documents...and it is Respondent's refusal to honor Complainant's documents that is ille-

gal under 8 U.S.C. §1324b(a)(6).” Complainant’s Reply to Respondent’s Letter to Dismiss filed February 12, 1997, at p. 2.

The substance of that argument, that an employer honor any document whatsoever presented for any purpose whatsoever, is without merit. *Lee v. Airtouch*, 6 OCAHO 901, at 12; *see also, Costigan v. NYNEX*, 6 OCAHO 918, at 9–10 (1997) (“IRCA does not render unlawful an employer’s refusal to accept documents that are not related to the employment eligibility verification procedures”).

Because Jarvis has failed to allege that respondent requested documents in connection with verifying his employment eligibility, the Complaint fails to state a claim upon which relief can be granted as to the allegations of document abuse.

Accordingly, respondent’s motion to dismiss complainant’s second cause of action, that of document abuse, is granted, and that claim is ordered to be and is dismissed, with prejudice to refile.

C. Subject Matter Jurisdiction

Like federal district courts, this Office is a forum of limited subject matter jurisdiction. In general, federal courts cannot take jurisdiction in cases where the parties are not diverse or where a federal question is not involved. 28 U.S.C. §§1331 and 1332. Similarly, this Office provides access only to those complainants seeking to resolve, among other things, disputes involving unfair immigration-related employment practices.⁴ There is nothing in the statute or implementing regulations to conclude that this forum has jurisdiction over disputes about withholding of federal taxes from wages. *Lee v. Airtouch*, 7 OCAHO 926, at 8 (1997). Quite simply, this forum is “reserved for those adversely affected directly by an unfair immigration-related employment practice and is powerless to hear tax causes of action.” *Smiley v. City of Philadelphia*, 7 OCAHO 925, at 21 (1997).

It is well-settled that administrative law judges assigned to this Office have §1324b subject matter jurisdiction only in those situations where the employee has alleged discriminatory rejection or discharge from employment where the basis of the discrimination involves

⁴Administrative law judges assigned to this Office also have jurisdiction to hear complaints filed by the INS against employers that have committed paperwork violations or illegal alien hire violations, and against individuals who have committed document fraud, 8 U.S.C. §1324a and §1324c.

an individual's national origin or citizenship status. Moreover, jurisdiction over a claim of document abuse can only be established if the complainant has alleged that the employer requested a particular document from a list of prescribed sources for the purposes of verifying work eligibility under §1324a(b). See, e.g., *Smiley v. City of Philadelphia*, 7 OCAHO 925 (1997); *Horne v. Town of Hampstead*, 6 OCAHO 906 (1997); *Winkler v. Timlin Corp.*, 6 OCAHO 912 (1997); *Boyd v. Sherling*, 6 OCAHO 916 (1997); *Wilson v. Harrisburg School District*, 6 OCAHO 919 (1997); *Austin v. Jitney-Jungle Stores*, 6 OCAHO 923 (1997); *Costigan v. NYNEX*, 6 OCAHO 918 (1997). As noted previously, Jarvis has failed to make those elemental factual allegations.

This line of cases also instructs that an administrative law judge may always examine the complaint *sua sponte* for subject matter jurisdiction and should dismiss the complaint if none is found. *Boyd, supra*, at 7; see also *Rauch v. Day and Night Mfrg. Corp.*, 576 F.2d 697, 699 (6th Cir. 1977) (“[i]t is of course proper, and indeed mandatory for a court to inquire into its subject-matter jurisdiction”). The parties may not confer upon a court subject matter jurisdiction which in fact does not exist. *Id.*

By his own admissions, Jarvis was neither denied employment nor discharged. Nor was Jarvis asked to produce more or different documents than those prescribed by the INS in connection with IRCA's employment verification system, 8 U.S.C. §1324a(b). Complainant's allegations are based upon an “ideological dispute with the Internal Revenue Service over the method of withholding for taxes and over the constitutionality of the system of taxation in the United States” and do not implicate the immigration-related employment discrimination provisions of IRCA. *Lee v. Airtouch, supra*, at 4.

Because I find that complainant's claims are related solely to his dispute with Federal tax laws, and do not implicate §1324b, complainant's Complaint must also be dismissed for lack of subject matter jurisdiction.

IV. Respondent's Request For Costs and Attorney's Fees

As part of its motion to dismiss, respondent states that the Complaint is patently frivolous and should be dismissed with costs and fees to the respondent. IRCA, 8 U.S.C. §1324b(h), authorizes fee shifting:

In any complaint respecting an unfair immigration-related employment practice, an administrative law judge, in the judge's discretion, may allow a prevailing party, other than the United States, a reasonable attorney's fee, if the losing party's argument is without reasonable foundation in law and fact.

Both parties shall be given the opportunity to brief the issues concerning whether an award of attorneys' fees is appropriate. Respondent may file its itemized request for an attorney's fee together with a supporting memorandum and documentation on or before June 16, 1997. Complainant may file his reply brief and supporting data on or before July 16, 1997.

Order

In view of the foregoing, respondent's Motion to Dismiss filed on January 21, 1997 is granted.

Further, complainant's November 18, 1996 Complaint alleging two (2) unfair immigration-related employment practices, that of citizenship status discrimination and document abuse, in violation of the Immigration Reform and Control Act of 1986 (IRCA), 8 U.S.C. §1324b(a)(1)(B) and the Immigration Act of 1990 (IMMACT), 8 U.S.C. §1324b(a)(6), is hereby ordered to be and is dismissed, with prejudice to refiling, for failure to state a claim and for lack of subject matter jurisdiction.

As the prevailing party in this proceeding, respondent's request for its costs and an attorney's fee shall be considered if that request is filed, together with a supporting memorandum of law and documentation, on or before June 16, 1997. A reply by complainant to respondent's request will be timely if filed not later than July 16, 1997.

JOSEPH E. MCGUIRE
Administrative Law Judge

Appeal Information

In accordance with the provisions of 8 U.S.C. §1324b(g)(1), this Order shall become final upon issuance and service upon the parties, unless, as provided for under the provisions of 8 U.S.C. §1324b(i), any person aggrieved by such Order seeks a timely review of this Order in the United States Court of Appeals for the Circuit in which the violation is alleged to have occurred or in which the employer resides or transacts business, and does so no later than 60 days after the entry of this Order.

Readyville Man Failed to Pay Taxes

1. On March 12, 2004, in Nashville, TN, Rickey Paul Brunet was sentenced to serve 27 months in prison, followed by three years of supervised release, after a jury convicted him on four counts of income tax evasion. Brunet was also ordered to pay all back taxes owed for 1995 through 1998 in the amount of \$98,608.86 to IRS and to file tax returns for years 1999 through 2002 as a special condition of his supervised release.

Testimony during the trial established that Brunet, a computer aided design draftsman, failed to file income tax returns with the IRS for calendar years 1996, 1997 and 1998. Additionally, Brunet attempted to cause his social number to be concealed from the IRS and filed a Form W-4 with a company, claiming he was exempt from federal withholding. Brunet was also convicted of income tax evasion for tax year 1995 for attempting to evade or defeat the payment of a large part of the income tax due to the United States. Evidence presented during the trial showed that shortly after receiving a tax assessment notification from the IRS, Brunet caused the title to his personal residence to be transferred to "The Home Trust" in an attempt to prevent IRS from levying or seizing the home to satisfy his tax debt.

Brunet also transferred the title of two vehicles to "The Partnership Trust" to also evade IRS collection efforts. Brunet testified during the trial that in mid-1995 he joined a group named Save-A-Patriot Fellowship, an organization that questions the legal interpretation of the tax code, and began researching the tax law. He told the jurors that he could not find any information that would lead him to conclude that the Internal Revenue Code made him liable to file income tax returns or pay taxes. The courts have repeatedly rejected these arguments as frivolous. Other individuals from this Save-A-Patriot Fellowship Organization have been convicted of federal tax crimes and have served prison sentences. Brunet is to report to prison on April 12, 2004.

<http://www.irs.gov/compliance/enforcement/article/0,,id=106445,00.html>

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

10
CLOSED

FILED

MAR 28 2003

UNITED STATES

Plaintiff,

v.

RICHARD HARAKA, a/k/a
RICK BRYAN, d/b/a TAXGATE,

Defendant.

Civil No. 02-5340 (JAP) 8:30 AM
WILLIAM T. WALSH, CLERK

ENTERED
ON
THE DOCKET

MAR 31 2003

ORDER OF PERMANENT INJUNCTION

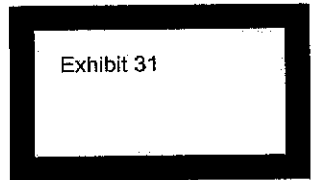
WILLIAM T. WALSH, CLERK
By *SW* (Deputy Clerk)

Plaintiff, the United States, has filed a Complaint for Permanent Injunction against the defendant, Richard Haraka, a/k/a Rick Bryan d/b/a Taxgate. Haraka does not admit the allegations of the complaint, except that he admits that the Court has jurisdiction over him and over the subject matter of this action. By his Consent, which has been previously filed, Haraka waives the entry of findings of fact and conclusions of law, and consents to the entry of this Permanent Injunction.

A. The Court has jurisdiction over this action under 28 U.S.C. Sections 1340 and 1345, and under 26 U.S.C. Sections 7402 and 7408.

B. The Court finds that Haraka has neither admitted nor denied the United States' allegations that Haraka is subject to penalty under 26 U.S.C. Sections 6700 and 6701.

C. It is hereby ORDERED that Richard Haraka, a/k/a Rick Bryan d/b/a Taxgate, and, in addition, his associates, senior members, purported "tax experts," representatives and other affiliates, and all others in active concert or participation with him who receive actual notice of



this Order, are permanently restrained and enjoined from directly or indirectly:

1. Organizing, promoting, marketing, or selling (or assisting therein) any tax shelter, plan, or arrangement known as the "Section 861 argument" or any other abusive tax shelter, plan, or arrangement that advises or encourages taxpayers to attempt to evade the assessment or collection of their correct federal taxes;
2. Engaging in any conduct subject to penalty under IRC § 6700, *i.e.*, making or furnishing, in connection with the organization or sale of an abusive shelter, plan, or arrangement, any statement they know or have reason to know is false or fraudulent as to any material matter;
3. Engaging in any conduct subject to penalty under IRC § 6701, *i.e.*, assisting others in the preparation of any tax returns, forms or any other documents to be used in connection with any material matter arising under the internal revenue laws and which they know will (if so used) result in the understatement of income tax liability;
4. Making false statements about the allowability of any deduction or credit, the excludability of any income, or the securing of any other tax benefit by the reason of participating in such tax plans or arrangements;
5. Instructing or advising taxpayers to understate their federal tax liabilities; and
6. Engaging in any conduct that unlawfully interferes with the administration and enforcement of the internal revenue laws, including, but not limited to, any unlawful interference with the assessment and collection of federal taxes.

D. It is further ORDERED that Haraka shall contact by electronic mail, within 10 days

days of the date of this Order, at Haraka's expense:

1. all persons to whom he gave, sold, or distributed, or caused any other person to give, sell or distribute, any materials espousing or relating to the Section 861 argument, "third-party contracting" arrangements, or similar shelters, plans, or arrangements;
2. all persons for whom Haraka prepared or assisted in preparing any federal or state income tax returns or tax-related documents; and
3. all persons who contacted Haraka or Taxgate regarding the schemes marketed through the Taxgate website (in correspondence, verbally (including but not limited to telephonically), or through electronic means);

and shall provide each of those persons with a copy of this permanent injunction.

E. It is further **ORDERED** that Haraka shall immediately, upon entry of this order, use best efforts to determine the mailing addresses and telephone numbers for all of the following:

1. all persons to whom he gave, sold, or distributed, or caused any other person to give, sell or distribute, any materials espousing or relating to the Section 861 argument, "third-party contracting" arrangements, or similar shelters, plans or arrangements;
2. all persons for whom Haraka prepared or assisted in preparing any federal or state income tax returns or tax-related documents; and
3. all persons who contacted Haraka or Taxgate regarding the schemes marketed through the Taxgate website (in correspondence, verbally (including but not

limited to telephonically), or through electronic means).

Haraka shall then mail to the United States by first class mail and via electronic mail within 30 days of the date of this order all information in his possession evidencing the mailing, e-mail addresses and telephone numbers of any of the persons described in this paragraph 'D.'

F. It is further **ORDERED** that Haraka shall contact, in writing by email and first class mail, within 120 days of the date of this Order, at Haraka's expense, all persons who sold, marketed or assisted in the sale of marketing of the Section 861 Argument, "third-party contracting" arrangements, or any other similar plan, arrangement, or scheme on behalf of Taxgate and provide those persons with a copy of the Court's order of permanent injunction.

G. It is further **ORDERED** that Haraka shall file a declaration under penalty of perjury stating that he has complied with the requirements set forth under paragraphs 'D,' 'E' and 'F' above, and including a list of all persons to whom Haraka has sent the required Order and memorandum. Haraka shall file this declaration within 31 days of the date of this Order.

H. It is further **ORDERED** that Haraka shall post this Court's Order of Permanent Injunction beginning at the top of the Taxgate website home page (www.taxgate.com) in 12-point type or larger within 10 days of the date of this Order, for a period of not less than one year. Haraka shall bear all expenses associated with posting the Court's order and maintaining the website during that period.

I. It is further **ORDERED** that Haraka shall, within 15 days of the date of this Order, produce to counsel for the United States Department of Justice, all records in his possession, custody, or control or to which he has access that identify:

(1) the persons to whom he or any of his associates, senior members, purported "tax

experts," representatives or other affiliates gave or sold or otherwise provided, directly or indirectly, any materials related to the Section 861 Argument, "third-party contracting" arrangements, and any other similar plan, arrangement, or scheme;

(2) any persons to whom he or any of his associates, senior members, purported "tax experts," representatives or other affiliates provided materials which may have been used to hinder or delay the assessment or collection of taxes;

(3) all persons who assisted in preparing or selling materials sent to Taxgate clients or potential clients;

(4) all individuals or entities for whom Haraka or his associates, senior members, purported "tax experts," representatives or other affiliates prepared or assisted in preparing any tax-related documents, including without limitation, claims for refund or tax returns,

(5) all persons who purchased or used any other tax shelter, plan, or arrangement in which Haraka has been involved;

(6) all persons who at any time have held themselves out as Taxgate "senior members," "associates" or "tax experts"; and

(7) all persons who sold, marketed or assisted in selling or marketing the Section 861 argument, or any other similar plan, arrangement or scheme in collaboration with or in connection with any affiliation with Taxgate.

J. It is further ORDERED that Haraka shall submit to a deposition upon oral examination, so that the United States can inquire regarding the nature and extent of Taxgate's schemes, the identity and location of all persons who at any time have organized or assisted in the organization of Taxgate, the identity and location of all persons who at any time have sold or assisted in the sale of any interest in any of Taxgate's shelters, plans and arrangements, the identity and location of all persons who at any time have prepared or assisted in the preparation of documents calculated to understate federal tax liabilities, the identity and location of all persons who at any time have assisted other persons who have used baseless arguments and materials to hinder or delay the assessment and collection of federal taxes, the identity and location of all persons who at any time have employed any of Taxgate's shelters, plans and arrangements, the identity and location of all persons who at any time have been Taxgate members, associates, senior members, representatives, agents or other affiliates, the identity and location of all persons who at any time have used Taxgate materials (including documents) which understate such persons' federal tax liabilities, and the identity and location of all persons who at any time have employed any of Taxgate's arguments and materials which may hinder or delay the assessment and collection of federal taxes. In so stating, however, Haraka may raise the Fifth Amendment's privilege against self-incrimination in response to the Government's questions without violating this order. If necessary, the Court will determine whether Haraka is permitted to avail himself of the privilege after a record has been made in deposition.

K. It is further ORDERED that the United States may, without further order of this Court, conduct discovery under the Federal Rules of Civil Procedure to monitor compliance with this injunction.

L. Further, the Court ORDERS that Haraka, and, in addition, his associates, senior members, purported "tax experts," representatives or other affiliates, and any other persons in active concert or participation with Haraka who receive actual notice of this Order, are enjoined from destroying, hiding, dissipating, or altering any documents, including electronic records, that relate in any way to this lawsuit, Taxgate, and/or Taxgate or Haraka's clients.

M. This Court shall retain jurisdiction over this action for the purpose of implementing and enforcing this Permanent Injunction.

J The case is closed.

Approved by:

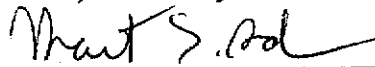
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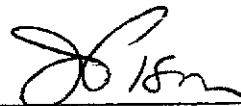
Richard Haraka
338 Grove Street
Clifton, New Jersey



Martin S. Goldman, Esq.
Harkavy, Goldman, Goldman & Caprio
1140 Bloomfield Avenue, Suite 106
West Caldwell, NJ 07006-7126

It is so ORDERED.

Dated: 3/27/03



United States District Court Judge

#91
1/10/03
JCM

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES,	:	CIVIL NO. 1:CV-01-2159
	:	
Plaintiff	:	
	:	
v.	:	(Judge Conner)
	:	
THURSTON PAUL BELL,	:	
	:	
Defendant	:	

FILED
HARRISBURG, PA
JAN 10 2003
MARY E. D'ANDREA, CLERK
Per *[Signature]*
Deputy Clerk

ORDER

AND NOW, this 10th day of January, 2003, in accordance with the accompanying memorandum, it is hereby ORDERED that plaintiff's motion for preliminary injunction (Doc. 34) is GRANTED. It is further ORDERED that:

1. Thurston Bell and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him, are preliminarily enjoined from directly or indirectly, by means of false, deceptive, or misleading commercial speech:
 - a. Organizing, promoting, marketing, or selling (or assisting therein) the tax shelter, plan, or arrangement known as "the U.S. Sources argument" (also known as "the section 861 argument") or any other abusive tax shelter, plan or arrangement that incites taxpayers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities or unlawfully claim improper tax refunds;
 - b. Further engaging in any conduct subject to penalty under 26 U.S.C § 6700, i.e. making or furnishing, in connection with the organization or sale of an abusive shelter, plan, or arrangement, a statement they know or have reason to know is false or fraudulent as to any material part;

Exhibit 32

- c. Further engaging in any conduct subject to penalty under 26 U.S.C. § 6701, i.e. assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which they know will (if so used) result in the understatement of income tax liability; and
- d. Further engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws.

2. Bell shall forthwith send a letter to:

- a. All persons to whom he gave, sold, or distributed any materials espousing or related to the U.S. Sources argument;
- b. All persons for whom Bell prepared or assisted in the preparation or drafting of any federal returns or tax-related documents; and
- c. All persons who contacted Bell regarding the U.S. Sources argument (in paper, via telephone, or through electronic means);

and inform those persons of the entry of the court's findings concerning the falsity of Bell's representations, the falsity of the tax returns based in whole or in part on the U.S. Sources argument, the possibility of the imposition of frivolous-return penalties against them, the possibility that the United States may seek to recover any erroneous refund they may have received, and the fact that a preliminary injunction has been entered against Bell (and attach a copy of this Order to the letter); and Bell shall simultaneously serve copies of all such letters (without attachment) to counsel for the United States at the address listed on the docket of this matter; and

3. Bell shall maintain the NITE website (www.nite.org) during the pendency of this preliminary injunction Order, remove from the aforementioned website all abusive-tax-shelter-promotional materials, false commercial speech, and materials designed to incite others to violate the law (including tax laws), and display prominently on the first page of the website an attachment of this preliminary injunction Memorandum and Order.

4. Bell shall mail to counsel for the United States, at the address listed on the docket of this matter, one copy of every federal tax return, amended return, or other document intended for the IRS that he prepares, or assists in the preparation of, on behalf of any other person or entity during the pendency of this preliminary injunction Order. The mailing shall be made on the same date the document is mailed to or filed with the IRS.
5. If Bell requires access to any file in the court's possession in order to comply with this order (e.g. paragraph 2), Bell shall promptly contact the court's deputy clerk, Ms. Kimberly McKinney, at 221-3920 to schedule an appointment for document access.
6. The parties shall file a request for a permanent injunction hearing within thirty (30) days. If no such request is filed, the Court will issue an order converting this preliminary injunction to a permanent injunction.



CHRISTOPHER C. CONNER
United States District Judge

THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS
DECEMBER 2005

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THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS **DECEMBER 2005**

This responds to some of the more common frivolous "legal" arguments made by individuals and groups who oppose compliance with the federal tax laws. The first section groups these arguments under six general categories, with variations within each category. Each contention is briefly explained, followed by a discussion of the legal authority that rejects the contention. The second section responds to some of the more common frivolous arguments made in collection due process cases brought pursuant to sections 6320 or 6330. These arguments are grouped under ten general categories and contain a brief description of each contention followed by a discussion of the correct legal authority. A final section explains the penalties that the courts may impose on those who pursue tax cases on frivolous grounds.

I. FRIVOLOUS TAX ARGUMENTS IN GENERAL

A. The Voluntary Nature of the Federal Income Tax System

1. Contention: The filing of a tax return is voluntary.

Some assert that they are not required to file federal tax returns because the filing of a tax return is voluntary. Proponents point to the fact that the IRS itself tells taxpayers in the Form 1040 instruction book that the tax system is voluntary. Additionally, the Supreme Court's opinion in Flora v. United States, 362 U.S. 145, 176 (1960), is often quoted for the proposition that "[o]ur system of taxation is based upon voluntary assessment and payment, not upon distraint."

The Law: The word "voluntary," as used in Flora and in IRS publications, refers to our system of allowing taxpayers to determine the correct amount of tax and complete the appropriate returns, rather than have the government determine tax for them. The requirement to file an income tax return is not voluntary and is clearly set forth in sections 6011(a), 6012(a), et seq., and 6072(a). See also Treas. Reg. § 1.6011-1(a).

Any taxpayer who has received more than a statutorily determined amount of gross income is obligated to file a return. Failure to file a tax return could subject the noncomplying individual to criminal penalties, including fines and imprisonment, as well as civil penalties. In United States v. Tedder, 787 F.2d 540, 542 (10th Cir. 1986), the court clearly states, "although Treasury regulations establish voluntary compliance as the general method of income tax collection, Congress gave the Secretary of the Treasury the power to enforce the income tax laws through involuntary

for the failure to file penalty, stating that “[his] argument that he is not required to pay tax on compensation for services does not constitute reasonable cause.”

Wheelis v. Commissioner, T.C. Memo. 2002-102, 83 T.C.M. (CCH) 1543-45 (2002) – the court rejected the taxpayer’s frivolous argument that his wages were not taxable based on his belief that “[p]roperty (money) exchanged for property (labor not subject to tax)” is not subject to income taxation. The court stated that such claims have been “consistently and thoroughly rejected” by the courts and imposed a penalty against Wheelis in the amount of \$10,000 for making frivolous arguments.

Carskadon v. Commissioner, T.C. Memo. 2003-237, 86 T.C.M. (CCH) 234, 236 – the court rejected the taxpayer’s frivolous argument that “wages are not taxable because the Code, which states what is taxable, does not specifically state that ‘time reimbursement transactions,’ a term of art coined by [taxpayers], are taxable.” The court imposed a \$2,000 penalty against the taxpayers for raising “only frivolous arguments which can be characterized as tax protester rhetoric.”

2. Contention: Only foreign-source income is taxable.

Some maintain that there is no federal statute imposing a tax on income derived from sources within the United States by citizens or residents of the United States. They argue instead that federal income taxes are excise taxes imposed only on nonresident aliens and foreign corporations for the privilege of receiving income from sources within the United States. The premise for this argument is a misreading of sections 861, et seq., and 911, et seq., as well as the regulations under those sections.

The Law: As stated above, for federal income tax purposes, “gross income” means all income from whatever source derived and includes compensation for services. I.R.C. § 61. Further, Treasury Regulation § 1.1-1(b) provides, “[i]n general, all citizens of the United States, wherever resident, and all resident alien individuals are liable to the income taxes imposed by the Code whether the income is received from sources within or without the United States.” I.R.C. sections 861 and 911 define the sources of income (U.S. versus non-U.S. source income) for such purposes as the prevention of double taxation of income that is subject to tax by more than one country. These sections neither specify whether income is taxable, nor do they determine or define gross income. These frivolous assertions are clearly contrary to well-established legal precedent.

In March 2005, a federal district court in Florida barred Gregory T. Mayer from preparing false or fraudulent returns and selling fraudulent tax

schemes relying upon, among other things, the frivolous section 861 argument, which falsely claims that income from sources in the United States is not subject to federal income tax. See http://www.usdoj.gov/opa/pr/2005/March/05_tax_119.htm; see also 2005 TNT 49-63 (Mar. 14, 2005). In August 2005, a federal district court in Florida permanently barred Carel "Chad" Prater and Richard Cantwell from promoting tax-fraud scams relying on the section 861 argument. See http://www.usdoj.gov/opa/pr/2005/September/05_tax_505.html; see also 2005 TNT 204-51 (Aug. 30, 2005).

In May 2005, the Tenth Circuit affirmed the conviction and 108 month sentence of Ernest G. Ambort for willfully aiding and assisting in the preparation of false income tax returns. The basis of the conviction involved seminars conducted by Mr. Ambort where he falsely instructed the attendees that they could claim to be nonresident aliens with no domestic source income, regardless of place of birth, so that they were exempt from most federal income taxes. United States v. Ambort, 405 F.3d 1109 (10th Cir. 2005); see also 2005 TNT 86-10 (May 3, 2005).

In August 2005, a Philadelphia jury convicted Larken Rose on five counts of willful failure to file federal income tax returns based on the frivolous section 861 argument. Mr. Rose faces up to five years in prison for the crimes. See http://www.usdoj.gov/opa/pr/2005/August/05_tax_418.htm; see also 2005 TNT 157-22 (Aug. 12, 2005).

The IRS issued Revenue Ruling 2004-28, 2004-12 I.R.B. 624, which discusses section 911, and Revenue Ruling 2004-30, 2004-12 I.R.B. 622, which discusses section 861, warning taxpayers of the consequences of making these frivolous arguments.

Relevant Case Law:

Great-West Life Assur. Co. v. United States, 678 F.2d 180, 183 (Ct. Cl. 1982) – the court stated that “[t]he determination of where income is derived or ‘sourced’ is generally of no moment to either United States citizens or United States corporations, for such persons are subject to tax under I.R.C. § 1 and I.R.C. § 11, respectively, on their worldwide income.”

Takaba v. Commissioner, 119 T.C. 285, 295 (2002) – the court rejected the taxpayer’s argument that income received from sources within the United States is not taxable income, stating that “[t]he 861 argument is contrary to established law and, for that reason, frivolous.” The court imposed sanctions against the taxpayer in the amount of \$15,000, as well as sanctions against the taxpayer’s attorney in the amount of \$10,500, for making such groundless arguments.

Williams v. Commissioner, 114 T.C. 136, 138 (2000) – the court rejected the taxpayer's argument that his income was not from any of the sources listed in Treas. Reg. § 1.861-8(a), characterizing it as "reminiscent of tax-protester rhetoric that has been universally rejected by this and other courts."

Corcoran v. Commissioner, T.C. Memo. 2002-18, 83 T.C.M. (CCH) 1108, 1110 (2002) – the court rejected the taxpayers' argument that his income was not from any of the sources in Treas. Reg. § 1.861-8(f), stating that the "source rules [of sections 861 through 865] do not exclude from U.S. taxation income earned by U.S. citizens from sources within the United States." The court further required the taxpayers to pay a \$2,000 penalty under section 6673(a)(1) because "they . . . wasted limited judicial and administrative resources."

Aiello v. Commissioner, T.C. Memo. 1995-40, 69 T.C.M. (CCH) 1765 (1995) – the court rejected the taxpayer's argument that the only sources of income for purposes of section 61 are listed in section 861.

Madge v. Commissioner, T.C. Memo. 2000-370, 80 T.C.M. (CCH) 804 (2000) – the court labeled as "frivolous" the position that only foreign income is taxable.

Solomon v. Commissioner, T.C. Memo. 1993-509, 66 T.C.M. (CCH) 1201, 1202 (1993) – the court rejected the taxpayer's argument that his income was exempt from tax by operation of sections 861 and 911, noting that he had no foreign income and that section 861 provides that "compensation for labor or personal services performed in the United States . . . are items of gross income."

3. Contention: Federal Reserve Notes are not income.

Some assert that Federal Reserve Notes currently used in the United States are not valid currency and cannot be taxed, because Federal Reserve Notes are not gold or silver and may not be exchanged for gold or silver. This argument misinterprets Article I, Section 10 of the United States Constitution.

The Law: Congress is empowered "[t]o coin Money, regulate the value thereof, and of foreign coin, and fix the Standard of weights and measures." U.S. Const. Art. I, § 8, cl. 5. Article I, Section 10 of the Constitution prohibits the states from declaring as legal tender anything other than gold or silver, but does not limit Congress' power to declare the form of legal tender. See 31 U.S.C. § 5103; 12 U.S.C. § 411. In United States v. Rifen, 577 F.2d 1111 (8th Cir. 1978), the court affirmed a conviction for willfully failing to file a return, rejecting the argument that

Federal Reserve Notes are not subject to taxation. "Congress has declared federal reserve notes legal tender . . . and federal reserve notes are taxable dollars." *Id.* at 1112. The courts have rejected this argument on numerous occasions.

Relevant Case Law:

Sanders v. Freeman, 221 F.3d 846, 855 (6th Cir. 2000) – in regard to defendant's argument "that imposing sales tax on the sale of legal-tender silver and gold coins unconstitutionally interferes with Congress's exclusive power to coin money is simply untenable," the court recognized that "most, if not all, of the courts that have considered this issue have held that imposing sales tax on the purchase of gold and silver coins and bullion for cash does not infringe on Congress's constitutional power to coin and regulate currency." See also United States v. Davenport, 824 F.2d 1511, 1521 (7th Cir. 1987).

United States v. Condo, 741 F.2d 238, 239 (9th Cir. 1984) – the court upheld the taxpayer's criminal conviction, rejecting as "frivolous" the argument that Federal Reserve Notes are not valid currency, cannot be taxed, and are merely "debts."

United States v. Rickman, 638 F.2d 182, 184 (10th Cir. 1980) – the court affirmed the conviction for willfully failing to file a return and rejected the taxpayer's argument that "the Federal Reserve Notes in which he was paid were not lawful money within the meaning of Art. 1, § 8, United States Constitution."

United States v. Daly, 481 F.2d 28, 30 (8th Cir.), *cert. denied*, 414 U.S. 1064 (1973) – the court rejected as "clearly frivolous" the assertion "that the only 'Legal Tender Dollars' are those which contain a mixture of gold and silver and that only those dollars may be constitutionally taxed" and affirmed Daly's conviction for willfully failing to file a return.

Jones v. Commissioner, 688 F.2d 17 (6th Cir. 1982) – the court found the taxpayer's claim that his wages were paid in "depreciated bank notes" as clearly without merit and affirmed the Tax Court's imposition of an addition to tax for negligence or intentional disregard of rules and regulations.

C. The Meaning of Certain Terms Used in the Internal Revenue Code

1. Contention: Taxpayer is not a "citizen" of the United States, thus not subject to the federal income tax laws.

Some individuals argue that they have rejected citizenship in the United States in favor of state citizenship; therefore, they are relieved of their

federal income tax obligations. A variation of this argument is that a person is a free born citizen of a particular state and thus was never a citizen of the United States. The underlying theme of these arguments is the same: the person is not a United States citizen and is not subject to federal tax laws because only United States citizens are subject to these laws.

The Law: The Fourteenth Amendment to the United States Constitution defines the basis for United States citizenship, stating that “[a]ll persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.” The Fourteenth Amendment therefore establishes simultaneous state and federal citizenship. Claims that individuals are not citizens of the United States but are solely citizens of a sovereign state and not subject to federal taxation have been uniformly rejected by the courts.

In December 2004, a federal district court issued a preliminary injunction against Jonathan D. Luman blocking him from selling his “Tax Buster” program. The court found that Mr. Luman’s plan falsely tells customers they can avoid paying federal income tax by renouncing their Social Security numbers and becoming sovereign citizens. See <http://www.usdoj.gov/tax/txdv04789.htm>; see also 2004 TNT 241-23 (Dec. 14, 2004).

Relevant Case Law:

United States v. Hilgford, 7 F.3d 1340, 1342 (7th Cir. 1993) – the court rejected “shop worn” argument that defendant is a citizen of the “Indiana State Republic” and therefore an alien beyond the jurisdictional reach of the federal courts.

United States v. Sileven, 985 F.2d 962 (8th Cir. 1993) – the court rejected the argument that the district court lacked jurisdiction because the taxpayer was not a federal citizen as “plainly frivolous.”

United States v. Gerads, 999 F.2d 1255, 1256 (8th Cir. 1993) – the court rejected the Gerads’ contention that they were “not citizens of the United States, but rather ‘Free Citizens of the Republic of Minnesota’ and, consequently, not subject to taxation” and imposed sanctions “for bringing this frivolous appeal based on discredited, tax-protester arguments.”

United States v. Sloan, 939 F.2d 499, 500 (7th Cir. 1991), cert. denied, 502 U.S. 1060, reh’g denied, 503 U.S. 953 (1992) – the court affirmed a tax evasion conviction and rejected Sloan’s argument that the federal tax laws did not apply to him because he was a “freeborn, natural individual, a

citizen of the State of Indiana, and a 'master' – not 'servant' – of his government.”

United States v. Ward, 833 F.2d 1538, 1539 (11th Cir. 1987), cert. denied, 485 U.S. 1022 (1988) – the court found Ward's contention that he was not an “individual” located within the jurisdiction of the United States to be “utterly without merit” and affirmed his conviction for tax evasion.

O'Driscoll v. Internal Revenue Service, 1991 U.S. Dist. LEXIS 9829, at *5-6 (E.D. Pa. 1991) – the court stated, “despite [taxpayer's] linguistic gymnastics, he is a citizen of both the United States and Pennsylvania, and liable for federal taxes.”

Bland-Barclay v. Commissioner, T.C. Memo. 2002-20, 83 T.C.M. (CCH) 1119, 1121 (2002) – the court rejected taxpayers' claim that they were exempt from the federal income tax laws due to their status as “citizens of the Maryland Republic,” characterized such arguments as “baseless and wholly without merit,” and required taxpayers to pay a \$1,500 penalty for making frivolous arguments.

Solomon v. Commissioner, T.C. Memo. 1993-509, 66 T.C.M. (CCH) 1201, 1202-03 (1993) – the court rejected Solomon's argument that as an Illinois resident his income was from outside the United States, stating “[he] attempts to argue an absurd proposition, essentially that the State of Illinois is not part of the United States. His hope is that he will find some semantic technicality which will render him exempt from Federal income tax, which applies generally to all U.S. citizens and residents. [His] arguments are no more than stale tax protester contentions long dismissed summarily by this Court and all other courts which have heard such contentions.”

2. Contention: The “United States” consists only of the District of Columbia, federal territories, and federal enclaves.

Some argue that the United States consists only of the District of Columbia, federal territories (e.g., Puerto Rico, Guam, etc.), and federal enclaves (e.g., American Indian reservations, military bases, etc.) and does not include the “sovereign” states. According to this argument, if a taxpayer does not live within the “United States,” as so defined, he is not subject to the federal tax laws.

The Law: The Internal Revenue Code imposes a federal income tax upon all United States citizens and residents, not just those who reside in the District of Columbia, federal territories, and federal enclaves. In United States v. Collins, 920 F.2d 619, 629 (10th Cir. 1990), cert. denied, 500 U.S. 920 (1991), the court cited Brushaber v. Union Pac. R.R., 240 U.S. 1,

12-19 (1916), and noted the United States Supreme Court has recognized that the "sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation, not just in federal enclaves." This frivolous contention has been uniformly rejected by the courts.

In May 2005, a federal district judge sentenced Wayne C. Bentson to a four year prison term to be followed by three years of probation, as well as requiring Mr. Benson to pay restitution of over \$1.1 million for falsely advising clients, among other things, that the internal revenue laws only applied to individuals residing in the Virgin Islands, Guam and Puerto Rico. See http://www.usdoj.gov/opa/pr/2005/May/05_tax_275.htm; see also 2005 TNT 97-49 (May 18, 2005).

Relevant Case Law:

United States v. Cooper, 170 F.3d 691, 691 (7th Cir. 1999) – the court sanctioned defendant for filing of frivolous appeal wherein he argued, in pertinent part, that only residents of Washington, D.C. and other federal enclaves are subject to the federal tax laws because they alone are citizens of the United States.

United States v. Mundt, 29 F.3d 233, 237 (6th Cir. 1994) – the court rejected "patently frivolous" argument that defendant was not a resident of any "federal zone" and therefore not subject to federal income tax laws.

In re Becraft, 885 F.2d 547, 549-50 (9th Cir. 1989) – the court, observing that Becraft's claim that federal laws apply only to United States territories and the District of Columbia "has no semblance of merit," and noting that this attorney had previously litigated cases in the federal appeals courts that had "no reasonable possibility of success," imposed monetary damages and expressed the hope "that this assessment will deter Becraft from asking this and other federal courts to expend more time and resources on patently frivolous legal positions."

United States v. Ward, 833 F.2d 1538, 1539 (11th Cir. 1987), cert. denied, 485 U.S. 1022 (1988) – the court rejected as a "twisted conclusion" the contention "that the United States has jurisdiction over only Washington, D.C., the federal enclaves within the states, and the territories and possessions of the United States," and affirmed a tax evasion conviction.

Barcroft v. Commissioner, T.C. Memo. 1997-5, 73 T.C.M. (CCH) 1666, 1667, appeal dismissed, 134 F.3d 369 (5th Cir. 1997) – noting that Barcroft's statements "contain protester-type contentions that have been rejected by the courts as groundless," the court sustained penalties for failure to file returns and failure to pay estimated income taxes.

3. Contention: Taxpayer is not a "person" as defined by the Internal Revenue Code, thus is not subject to the federal income tax laws.

Some maintain that they are not a "person" as defined by the Internal Revenue Code, and thus not subject to the federal income tax laws. This argument is based on a tortured misreading of the Code.

The Law: The Internal Revenue Code clearly defines "person" and sets forth which persons are subject to federal taxes. Section 7701(a)(14) defines "taxpayer" as any person subject to any internal revenue tax and section 7701(a)(1) defines "person" to include an individual, trust, estate, partnership, or corporation. Arguments that an individual is not a "person" within the meaning of the Internal Revenue Code have been uniformly rejected. A similar argument with respect to the term "individual" has also been rejected.

Relevant Case Law:

United States v. Karlin, 785 F.2d 90, 91 (3d Cir. 1986), cert. denied, 480 U.S. 907 (1987) – the court affirmed Karlin's conviction for failure to file income tax returns and rejected his contention that he was "not a 'person' within meaning of 26 U.S.C. § 7203" as "frivolous and requir[ing] no discussion."

McCoy v. Internal Revenue Service, 88 A.F.T.R.2d (RIA) 5909, 2001 U.S. Dist. LEXIS 15113, at *21, 22 (D. Col. Aug. 7, 2001) – the court dismissed the taxpayer's complaint, which asserted that McCoy was a nonresident alien and not subject to tax, describing the taxpayer's argument as "specious and legally frivolous."

United States v. Rhodes, 921 F. Supp. 261, 264 (M.D. Pa. 1996) – the court stated that "[a]n individual is a person under the Internal Revenue Code."

Biermann v. Commissioner, 769 F.2d 707, 708 (11th Cir.), reh'g denied, 775 F.2d 304 (11th Cir. 1985) – the court said the claim that Biermann was not "a person liable for taxes" was "patently frivolous" and, given the Tax Court's warning to Biermann that his positions would never be sustained in any court, awarded the government double costs, plus attorney's fees.

Smith v. Commissioner, T.C. Memo. 2000-290, 80 T.C.M. (CCH) 377, 378-89 (2000) – the court described the argument that Smith "is not a 'person liable' for tax" as frivolous, sustained failure to file penalties, and imposed a penalty for maintaining "frivolous and groundless positions."

CODE NAME: FREEDOM WIND

FREEDOM WIND has been a member of the Fellowship for eight years. He became constitutionally aware in the mid eighties. Around 1975, he was visiting his brother, and a sheriff pulled up with a tow truck and took his brother's car over some contested state taxes. This was done without a court order, and was just based on a memo from the state tax board. Initially, he was afraid, the idea of living his life without using the banking system was very intimidating, especially since his profession is a chiropractic doctor. His present wife is very supportive and is also a member of the Fellowship. The previous wife, along with some friends was very fearful of the I.R.S. and what "things" might be taken away from them. **FREEDOM WIND's** present wife and his children are very supportive, although they do feel the strain, but they are determined to continue. The children have even gotten their driver's licenses without the use of a social security number. When **FREEDOM** attended the representative seminar at the Fellowship, one child even gave 10 FRN's of his own money, because he had heard his father speak of the hard times the Fellowship was having. He feels that the Fellowship, along with Liberty Works Radio is absolutely necessary. The paralegal department has also been quite beneficial in his struggle, and he appreciates all the help given him. The following states clearly, in his own words his deep feelings for the Fellowship, "Since 1993, when I joined, it has been such an honor to each month send money to someone, somewhere, to help them. I also wondered what it would be like to get hundreds of envelopes from strangers, each helping to take the edge off the loss. As our slogan says, 'United we stand. or divided we will be stood on.' Stay the course, no matter what, damn the torpedoes, full speed ahead."

"The Spirit of resistance to government is so valuable on certain occasions that I wish it to be kept alive. It will often be exercised when wrong, but better so than not to be exercised at all." - Thomas Jefferson

"An elected despotism was not the government we fought for." - Thomas Jefferson

"I have always regarded that Constitution as the most remarkable work known to me in modern times to have been produced by the human intellect, at a single stroke (so to speak), in its application to political affairs." - Prime Minister William E. Gladstone (1887)

"...and the most cogent reason for restricting the interference of government is the great evil of adding unnecessarily to its power." - John Stuart Mill

Exhibit 34

This member has stood for all of us - now we must stand for him. This member has shown courage in his stand and we should be happy to help him in his time of need. Please send 10 FRN'S to him in the enclosed envelope ASAP; more if you can afford it. THANK-YOU !!!

SENT 10 FRNS
2-25-200

Save-A-Patriot Monthly Statement

2/08/02

Mail to:

[REDACTED]

91342-0000

Monthly Statement for [REDACTED]

Membership Renewal: 7/31/02

Reference	Documentation	Amount	Other	Date	Less
[REDACTED]	0	0.00	48.00	10/19/01	0.00
Subtotals:		+ 0.00 +	48.00	7/31/02	- 0.00
Renewal :			0.00	7/31/02	
Total Due:			48.00	7/31/02	

2-2502

Please Note: Additional envelopes may be enclosed for the purpose of rendering assistance to members who have lost property to the IRS. For instructions on how to fulfill your obligations under the assistance assessment part of your membership agreement, please see the reverse side of this statement. If the balance due (above) is 0.00 FRNs then you have been sent this statement for the sole purpose of helping specific members. If not, then the amounts shown represent your share of the Fellowships expenses up to approximately 1/29/02. Please remit payment within 30 days. If you have already forwarded payment for any given item then you should make an appropriate notation on this statement before returning it with the amount due. This will help to ensure that proper credit was applied.

**Costs Associated with Processing Frivolous Filings
June, 2004**

Organizational Unit	Function	Emp GS *Salary + Grade Benefits	Hours/ Case	Cost/ Case
W&I Campus Submission Processing	Receive and process returns, claims, correspondence (Open mail, stamp, sort, number, code/edit)	3 30,115	5 min	1.21
W&I SB/SE Exam FRP Coordinators	Screen potential frivolous filings and forward to FRP	9 57,310	3 min	1.38
SB/SE Ogden Campus Frivolous Return Program	Clerical Screening and processing of frivolous filings SFR/Audit Processing	4 33,805 7 46,851	10 min 3 hours	2.71
	Total Cost for Campus Processing			<u>67.57</u> <u>72.87</u>
SB/SE - Compliance Field	Compliance screening and routing to field SFR's	7 46,851 12 83,107	10 min 40 hours	3.75 1,598.21
	Total Cost for Field Processing			<u>1,607.26</u>
	6702 Penalty Assessments	7 46,851		
	Claims, 1040X	7 46,851		
	SFR's	7 46,851		
	Audits	7 46,851		
	Frivolous Correspondence Responses	7 46,851		
	Promoter Referrals	11 69,340		
	Preparer Penalty Assessments	7 46,851		
	Promoter Investigations			
	Collection			
	Appeals Officers			
	Counsel			
	Technical Advisor			
	Issue Management Team			
	Training			
	TEC, C&L, GL, Media Relations, LDC			
	SB/SE - Compliance Field	12 83,107		
	SB/SE - Compliance Field & Campus	13 98,830		
	Appeals			
	SB/SE Counsel			
	SB/SE Reporting Enforcement			
	SB/SE - Compliance			
	SB/SE - Compliance Field and Compliance Policy			
	SB/SE			

*General salary tables January 2004 Step 5 + 25% for benefits
Cost/Case = Salary + Benefits / 2080 x Hours/Case

**Additional organizational units that have a direct cost associated with FRP
Inventory. Note: the insidious effects of ATAT promotions resulting in non-filed returns cannot be calculated, i.e.,
non-filers incited by frivolous promotions, compliant taxpayers dropping out due to awareness of non-compliance, etc.