

***ORIGINS AND AUTHORITY OF THE  
INTERNAL REVENUE SERVICE (I.R.S.)***

*Last revised: 11/12/2023*



# DEDICATION

"A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another."  
[U.S. v. Butler, [297 U.S. 1](#) (1936)]

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**"To lay with one hand the power of government on the property of the citizen, and with the other to bestow it on favored individuals.. is none the less robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms."**

[Loan Association v. Topeka, 20 Wall. 655 (1874)]

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"The present **assault upon [THEFT of] capital** [by a corrupted socialist government] is but the beginning. **It will be but the stepping stone to others larger and more sweeping**, until our political contest will become war of the poor against the rich; a war of growing intensity and bitterness. [. . .]

The legislation, in the discrimination it makes, is class legislation. Whenever a distinction is made in the burdens a law imposes or in the benefits it confers on any citizens by reason of their birth, or wealth, or religion, it is class legislation, and leads inevitably to oppression and abuses, and to general unrest and disturbance in society."

[Pollock v. Farmers Loan and Trust, [157 U.S. 429](#) (1895) ]

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"Then tax collectors also came to be baptized, and said to him [Jesus/God], 'Teacher, what shall we do?]  
And he said to them, 'Collect no more than what is appointed for you.'"  
[Luke 3:12-13, Bible, NKJV]

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**"Ineptocracy (in-ep-toc'-ra-cy)** - a system of government where the least capable to lead are elected by the least capable of producing, and where the members of society least likely to sustain themselves or succeed, are rewarded with goods and services paid for by the confiscated wealth of a diminishing number of producers.

Synonyms: Electile dysfunction."  
[SEDM Political Dictionary]

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# 1. Introduction

The IRS falsely claims that “Congress” gave it (statutory) authority to collect federal income taxes. See the following for one example:

IRS Publication 2105 (Rev. 10-2003) Cat. No. 23871N

We will conclusively prove in this document with credible, incontrovertible evidence published by the United States Government that:

1. Such claims are false.
2. The IRS has no statutory authority to exist. It was created by REGULATION, not by STATUTE.
3. The IRS is not an “agency” within the United States government. It is a BUREAU within the Department of the Treasury that can serve ONLY offices and people WITHIN the Treasury and never OUTSIDE the Treasury.
4. The courts are lying to the public about the origin of the IRS.
5. The name “Internal Revenue Service” has never been authorized in any enactment of Congress.
6. The Department of Justice has no delegated authority to prosecute tax crimes on behalf of the IRS.
7. The IRS has no lawful authority to enforce any provision of Internal Revenue Code Subtitle A within states of the Union.

As you read this document, especially the excerpts from the U.S. Supreme Court which are contained at the end, please bear in mind that the U.S.A. Constitution is the Supreme Law of the Land and whenever you think a federal, state, or local government Official has violated your Constitutional Rights, especially your Constitutional Right to sell your labor and to earn a living, always bear in mind the wisdom contained in the following quote, which appeared in the Congressional record – Senate, in September 2004, to wit:

*“...This Constitution is the foundation upon which each stone of our government is laid. It is our bedrock. It touches every day of your lives...This Constitution touches everyday, every hour, every minute of your lives. Practically everything you do is made possible by or is guaranteed or is protected by this Constitution. It is the prism through which each act of our Government should be examined and judged...”*  
[Congressional Record, Senate, Sept 20, 2004]

Try never to forget the foregoing admonition because if you do forget it, you put your life and your liberty, and the lives and liberties of your family and loved ones, at great risk.

If you would like much more detailed treatment of the IRS fraud and more tools for fighting it, we highly recommend the following document on our website:

*Tax Fraud Prevention Manual*, Form #06.008  
<http://sedm.org/Forms/FormIndex.htm>

Now, let us begin our fascinating journey.

## 2. Why does the word “Internal” appear in the phrase “INTERNAL Revenue Service”?

The MAIN MYSTERY about the IRS is exactly what the word “INTERNAL” means in the phrase “INTERNAL Revenue Service”. The following subsections explore this subject.

You can find much more on the subject of this section later in section 7.6.

### 2.1 U.S. Supreme Court View

The answer is provided by the U.S. Supreme Court:

*“Loughborough v. Blake, 18 U.S. 317, 5 Wheat. 317, 5 L.Ed. 98, was an action of trespass (or, as appears by the original record, replevin) brought in the Circuit Court for the District of Columbia to try the right of Congress to impose a direct*

1 tax for general purposes on that District. 3 Stat. 216, c. 60, Fed. 17, 1815. It was insisted that Congress could act in a  
2 double capacity: in [\*\*\*32] one as legislating [\*260] for the States; in the other as a local legislature for the District  
3 of Columbia. In the latter character, it was admitted that the power of levying direct taxes might be exercised, but for  
4 District purposes only, as a state legislature might tax for state purposes; but that it could not legislate for the District  
5 under Art. I, sec. 8, giving to Congress the power "to lay and collect taxes, imposts and excises," which "shall be  
6 uniform throughout the [CONSTITUTIONAL] United States[\*\*\*]," inasmuch as the District was no part of the  
7 [CONSTITUTIONAL] United States[\*\*\*]. It was held that the grant of this power was a general one without limitation  
8 as to place, and consequently extended to all places over which the government extends; and that it extended to the  
9 District of Columbia as a constituent part of the United States. The fact that Art. I, sec. 20, declares that "representatives  
10 and direct taxes shall be apportioned among the several States . . . according to their respective numbers," furnished a  
11 standard by which taxes were apportioned; but not to exempt any part of the country from their operation. "The words  
12 used do not mean, that direct taxes shall be imposed on States only which are [\*\*\*33] represented, or shall be  
13 apportioned to representatives; but that direct taxation, in its application to States, shall be apportioned to numbers."  
14 That Art. I, sec. 9, P4, declaring that direct taxes shall be laid in proportion to the census, was applicable to the District  
15 of Columbia, "and will enable Congress to apportion on it its just and equal share of the burden, with the same accuracy  
16 as on the respective States. If the tax be laid in this proportion, it is within the very words of the restriction. It is a tax in  
17 proportion to the census or enumeration referred to." It was further held that the words of the ninth section did not "in  
18 terms require that the system of direct taxation, when resorted to, shall be extended to the territories, as the words of the  
19 second section require that it shall be extended to all the [\*\*777] States. They therefore may, without violence, be  
20 understood to give a rule when the territories shall be taxed without imposing the necessity of taxing them."  
21 [*Downes v. Bidwell*, 182 U.S. 244 (1901)]

22 Given that the District of Columbia is included in the above and in the definition of "United States" in 26 U.S.C. 7701(a)(9)  
23 and (a)(10), the above describes the Internal Revenue Code subtitles A and C. We can see that IN FACT, the phrase  
24 "INTERNAL" in the name of the IRS means INTERNAL to the United States Government, not INTERNAL to the  
25 GEOGRAPHICAL "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) and 4 U.S.C. §110(d) based on the above.  
26 The tax is NONGEOGRAPHICAL and extends wherever the GOVERNMENT extends, and not the GEOGRAPHY extends.  
27 This is consistent with the following documents on our site:

- 28 1. *Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes*, Form #05.008  
29 <https://sedm.org/Forms/05-MemLaw/WhyThiefOrPubOfficer.pdf>
- 30 2. *Why the Federal Income Tax is a Privilege Tax Upon Government Property*, Form #04.404  
31 <https://sedm.org/product/why-the-federal-income-tax-is-a-privilege-tax-on-government-property-form-04-404/>

32 The income tax is a franchise or user fee upon the use of federal property, including privileges. A public officer who works  
33 for the government after all is nothing but someone in charge of the PROPERTY of the public. Connecting you with a "trade  
34 or business"/public office (26 U.S.C. §7701(a)(26)) with usually FALSE information returns per 26 U.S.C. §6041(a) is how  
35 they abuse third parties to IN EFFECT ELECT you into a public office, which is a crime in violation of 18 U.S.C. §912 if  
36 you didn't ALREADY serve in such an office through a lawful election or appointment OTHER than using a tax form.

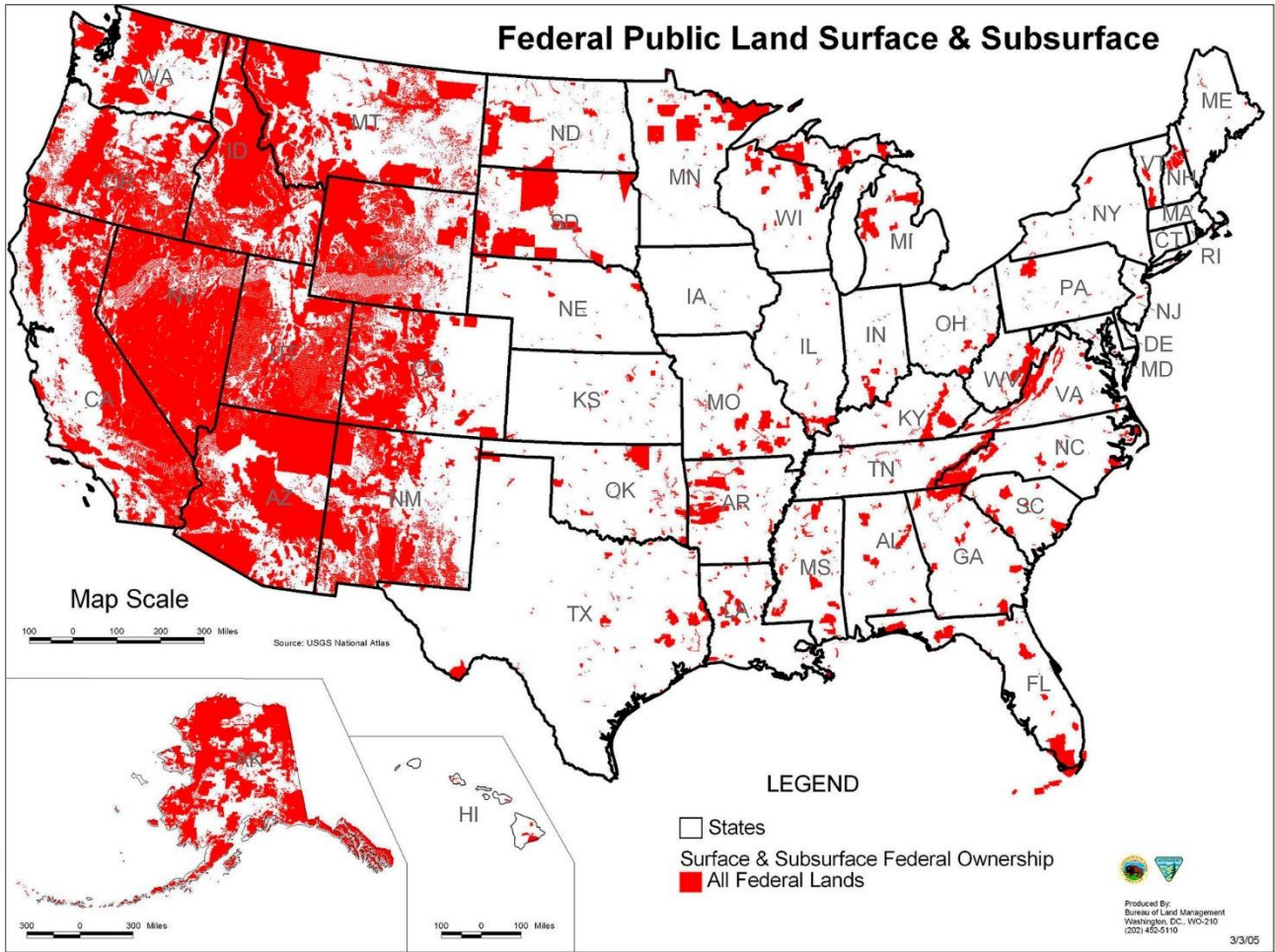
37 "**Public office.** The right, authority, and duty created and conferred by law, by which for a given period, either fixed by  
38 law or enduring at the pleasure of the creating power, an individual is invested with some portion of the sovereign  
39 functions of government for the benefit of the public. *Walker v. Rich*, 79 Cal.App. 139, 249 P. 56, 58. An agency for the  
40 state, the duties of which involve in their performance the exercise of some portion of the sovereign power, either great  
41 or small. *Yaselli v. Goff*, C.C.A., 12 F.2d. 396, 403, 56 A.L.R. 1239; *Lacey v. State*, 13 Ala.App. 212, 68 So. 706, 710;  
42 *Curtin v. State*, 61 Cal.App. 377, 214 P. 1030, 1035; *Shelmadine v. City of Elkhart*, 75 Ind.App. 493, 129 N.E. 878. *State*  
43 *ex rel. Colorado River Commission v. Frohmiller*, 46 Ariz. 413, 52 P.2d. 483, 486. **Where, by virtue of law, a person is**  
44 **clothed, not as an incidental or transient authority, but for such time as de- notes duration and continuance, with**  
45 **Independent power to control the property of the public,** or with public functions to be exercised in the supposed interest  
46 of the people, the service to be compensated by a stated yearly salary, and the occupant having a designation or title, the  
47 position so created is a public office. *State v. Brennan*, 49 Ohio.St. 33, 29 N.E. 593.  
48 [*Black's Law Dictionary*, Fourth Edition, p. 1235]

49 If you would like PROOF that the I.R.C. Subtitles A and C are non-geographical taxes, see:

*Proof of Facts: That the Internal Revenue Code Subtitles A and C Income Tax is Non-Geographical\*\**, SEDM (Member  
Subscriptions)  
<https://sedm.org/proof-that-the-internal-revenue-code-subtitles-a-and-c-income-tax-is-non-geographical/>

50 The other major indicator that the phrase "internal" means within the United States federal corporation are the following facts  
51 relating to extraterritorial jurisdiction:

1 **2.2 Geographical definitions confirming the tax is upon the government itself and not upon a**  
2 **geography!**



3  
4 A very frequent point of confusion and misunderstanding even within the legal profession is the definition of geographical  
5 terms in the various contexts in which they are used. The table below is provided to clear up this confusion in order that  
6 people do not misinterpret geographical terms by applying them outside their intended context. Using this page is VERY  
7 important for those who will be reading and researching state and federal law. The differences in meaning within the various  
8 contexts are primarily a consequence of the Separation of Powers Doctrine.

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<sup>1</sup> Source: *Citizenship, Domicile, and Tax Status Options*, Form #10.003, Section 22.2; <https://sedm.org/Forms/10-Emancipation/CitDomTaxStatusOptions.pdf>.

Law	Federal constitution	Federal statutes	Federal regulations	State constitutions	State statutes	State regulations
Author	Union States/ "We The People"	Federal Government		"We The People"	State Government	
"state"	Foreign country	Union state or foreign country	Union state or foreign country	Other Union state or federal government	Other Union state or federal government	Other Union state or federal government
"State"	Union state	Federal state	Federal state	Union state	Union state	Union state
"in this State" or "in the State" <sup>[1]</sup>	NA	NA	NA	NA	Federal enclave within state	Federal enclave within state
"State" <sup>[2]</sup> (State Revenue and taxation code only)	NA	NA	NA	NA	Federal enclave within state	Federal enclave within state
"several States"	Union states collectively <sup>[3]</sup>	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively
"United States"	states of the Union collectively	Federal United States**	Federal United States**	United States* the country	Federal United States**	Federal United States**

1 What the above table clearly shows is that the word "State" in the GENERAL context of MOST federal statutes and  
2 regulations means (not includes!) federal States only under [Title 48 of the U.S. Code](#)<sup>[4]</sup>, and these areas do not include any of  
3 the 50 Union States. This is true in most cases and especially in the Internal Revenue Code. There are four exceptions to  
4 this rule that we are aware of, and these subject matters include (are limited to):

5 **SOURCES OF EXTRATERRITORIAL JURISDICTION**

- 6 1. A military or foreign affairs function of the United States. [5 U.S.C. §553\(a\)\(1\)](#). This includes:
- 7 1.1. Making or executing war. This is the [Department of Defense \(DOD\)](#), [Title 50 of the U.S. Code](#), and the [Uniform](#)  
8 [Code of Military Justice \(U.C.M.J.\)](#), [10 U.S.C. Chapter 47](#).
- 9 1.2. Regulating aliens within the country. The presence test at [26 U.S.C. §7701\(b\)](#) implements the tax aspect of this.
- 10 1.3. Protecting VOLUNTARY STATUTORY citizens (not constitutional citizens) abroad. This is done through  
11 passports, [26 U.S.C. §911](#) which pays for the protection, the [Department of State \(DOS\)](#), and the military.
- 12 1.4. International commerce with foreign nations. This is done through the [Foreign Sovereign Immunities Act \(FSIA\)](#),  
13 [28 U.S.C. Chapter 97](#), [U.S.C.I.S.](#), [Department of Homeland Security \(DHS\)](#), and the foreign affairs supervision of  
14 the federal courts.
- 15 1.5. Economic sanctions on foreign countries and political rulers imposed by the [Department of the Treasury](#).
- 16 2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. [5](#)  
17 [U.S.C. §553\(a\)\(2\)](#). Note that:
- 18 2.1. " Taxes" do NOT fall in the category of "public property, loans, grants, or benefits" , but the U.S. supreme court  
19 identified them as a "quasi-contract" in [Milwaukee v. White, 296 U.S. 268 \(1935\)](#).
- 20 2.2. In the case of "agency management or personnel", they are talking about public officers serving within the  
21 national government as EXPRESSLY GEOGRAPHICALLY authorized by 4 U.S.C. §72 and NOT elsewhere.  
22 We'll give you a HINT, there IS no "express legislative authorization" for "taxpayer" offices to be exercised  
23 outside the District of Columbia as required, so all those serving in such an office extraterritorially are [DE](#)  
24 [FACTO officers \(Form #05.043\)](#). The income tax is an excise tax upon the "trade or business" franchise, which is  
25 defined in in [26 U.S.C. §7701\(a\)\(26\)](#) as "the functions of a public office", but those offices may not lawfully be  
26 exercised outside the District of Columbia. That is why the statutory geographical "United States" defined in [26](#)  
27 [U.S.C. §7701\(a\)\(9\)](#) and (a)(10) is defined as the District of Columbia and NOWHERE expressly extended outside  
28 the District of Columbia or the Federal statutory "State" defined in [4 U.S.C. §110\(d\)](#).
- 29 2.3. Civil statutory statuses such as "taxpayer", "citizen", "resident", and "person" AND the PUBLIC RIGHTS and



1 privileged that attach to them are PROPERTY legislatively created and therefore owned by the national  
2 government. Those claiming these statuses are in receipt, custody, or "benefit" of federal privileges no matter  
3 where they physically are, and thus are subject to Congress power to "make all needful rules respecting the  
4 Territory and other property" granted by [Article 4, Section 3, Clause 2 of the Constitution](#).

- 5 3. [Federal agencies or persons in their capacity as officers, agents, or employees thereof. 44 U.S.C. §1505\(a\)\(1\)](#).
- 6 4. [EXPRESS and INFORMED consent or comity in some form](#). Note that NO ONE can consent FOR YOU. YOU have  
7 to consent YOURSELF. Presently, "comity" is legally defined as "willingness to grant a privilege". It USED to be  
8 defined as MUTUAL consent or agreement of both parties. This has the INSIDIOUS effect that it is OK for a judge to  
9 consent FOR YOU, or you to consent sub silentio or by acquiescence. The RESULT is that you are treated AS IF you  
10 are a privileged agent or officer of the state, which we call a "straw man", often without compensation. This  
11 is [CRIMINAL HUMAN TRAFFICKING](#) and [CRIMINAL IDENTITY THEFT \(Form #05.046\)](#) if you didn't  
12 KNOWINGLY consent. The purpose of this [SOPHISTRY](#) is to procure your consent INVISIBLY, so they don't have  
13 to recognize or respect your sovereignty or autonomy. After all, they think they know better than you about what is  
14 good for you. See:
  - 15 4.1. [Hot Issues: Invisible Consent, SEDM](#)  
16 <https://sedm.org/invisible-consent/>
  - 17 4.2. [How State Nationals Volunteer to Pay Income Tax, Form #08.024](#)  
18 <https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>

19 The above four items collectively are referred to as "[extraterritorial jurisdiction](#)". Extraterritorial jurisdiction is defined as  
20 SUBJECT MATTER jurisdiction over [PUBLIC property \(Form #12.025\)](#) physically situated OUTSIDE of the EXCLUSIVE  
21 jurisdiction of the national government under [Article 4, Section 3, Clause 2 of the Constitution](#). Congress has jurisdiction  
22 over its property and the offices it creates no matter WHERE they physically reside or are lawfully exercised, INCLUDING  
23 within the exclusive jurisdiction of a constitutional state as confirmed by the U.S. Supreme Court in [Dred Scott v. Sanford,](#)  
24 [60 U.S. 393 \(1857\)](#), which ironically was about SLAVES. Those who CONSENT to be statutory "taxpayers" would fall in  
25 this same category of "slave" and are treated literally as CHATTEL of the national government. HOWEVER, the Constitution  
26 confers NO EXPRESS authorization for Congress to use TACIT and PERSONAL BRIBES or GRANTS of its physical or  
27 chattel PUBLIC property or "benefits" to CREATE NEW public offices or appoint new officers to de facto offices that are  
28 NOT created by an EXPRESS lawful oath or appointment. Any attempts to do so are CRIMINAL OFFENSES under [18](#)  
29 [U.S.C. §§201, 210, 211](#). More about public offices and officers in:

- 30 1. [The "Trade or Business" Scam, Form #05.001](#)  
31 <https://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf>
- 32 2. [Why Your Government is Either a Thief or You Are a "Public Officer" for Income Tax Purposes, Form #05.008](#)  
33 <https://sedm.org/Forms/05-MemLaw/WhyThiefOrPubOfficer.pdf>
- 34 3. [Proof That There Is a "Straw Man", Form #05.042](#)  
35 <https://sedm.org/Forms/05-MemLaw/StrawMan.pdf>

36 For the purposes of this discussion, Sovereign States of the Union are NOT "[territory](#)" of the national government. Also, the  
37 Sixteenth Amendment did NOT confer EXTRATERRITORIAL jurisdiction to levy an UNAPPORTIONED direct tax upon  
38 labor as property within the exclusive jurisdiction of a constitutional state of the Union either. In fact, the U.S. Supreme Court  
39 declared that it "conferred NO NEW power of taxation" in [Stanton v. Baltic Mining, 240 U.S. 103 \(1916\)](#). Thus, the income  
40 tax HAS ALWAYS been a tax upon officers of the national government called statutory "taxpayer", "citizens", and "persons".  
41 This is ENTIRELY consistent with the legislative intent of the proposed sixteenth amendment proposed to Congress by  
42 President Taft himself:

43 CONGRESSIONAL RECORD - SENATE - JUNE 16, 1909  
44 [From Pages 3344 – 3345]

45 The Secretary read as follows:

46 To the Senate and House of Representatives:

47 It is the constitutional duty of the President from time to time to recommend to the consideration of Congress such  
48 measures, as he shall judge necessary and expedient. In my inaugural address, immediately preceding this present  
49 extraordinary session of Congress, I invited attention to the necessity for a revision of the tariff at this session, and stated  
50 the principles upon which I thought the revision should be affected. I referred to the then rapidly increasing deficit and  
51 pointed out the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an adequate income,

1 and suggested that if it was not possible to do so by import duties, new kinds of taxation must be adopted, and among  
2 them I recommended a graduated inheritance tax as correct in principle and as certain and easy of collection.

3 The House of Representatives has adopted the suggestion, and has provided in the bill it passed for the collection of such  
4 a tax. In the Senate the action of its Finance Committee and the course of the debate indicate that it may not agree to this  
5 provision, and it is now proposed to make up the deficit by the imposition of a general income tax, in form and substance  
6 of almost exactly the same character as, that which *in the case of Pollock v. Farmer's Loan and Trust Company (157*  
7 *U.S., 429) was held by the Supreme Court to be a direct tax, and therefore not within the power of the Federal*  
8 *Government to impose unless apportioned among the several States according to population.* [Emphasis added] This  
9 new proposal, which I did not discuss in my inaugural address or in my message at the opening of the present session,  
10 makes it appropriate for me to submit to the Congress certain additional recommendations.

11 Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to  
12 meet the present deficiency. The decision of the Supreme Court in the income-tax cases *deprived the National*  
13 *Government of a power* which, by reason of previous decisions of the court, it was *generally supposed that government*  
14 *had.* It is undoubtedly a power the National Government ought to have. It might be indispensable to the Nation's life in  
15 great crises. Although I have not considered a constitutional amendment as necessary to the exercise of certain phases of  
16 this power, a mature consideration has satisfied me that an amendment is the only proper course for its establishment to  
17 its full extent.

18 I therefore recommend to the Congress that both Houses, by a two-thirds vote, *shall propose an amendment to the*  
19 *Constitution conferring the power to levy an income tax upon the National Government* without apportionment among  
20 the States in proportion to population.

21 This course is much to be preferred to the one proposed of reenacting a law once judicially declared to be unconstitutional.  
22 For the Congress to assume that the court will reverse itself, and to enact legislation on such an assumption, will not  
23 strengthen popular confidence in the stability of judicial construction of the Constitution. It is much wiser policy to accept  
24 the decision and remedy the defect by amendment in due and regular course.

25 Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to  
26 meet the present deficiency, but by putting on the statute book a law already there and never repealed will simply be  
27 suggesting to the executive officers of the Government their possible duty to invoke litigation.

28 If the court should maintain its former view, no tax would be collected at all. If it should ultimately reverse itself, still no  
29 taxes would have been collected until after protracted delay.

30 It is said the difficulty and delay in securing the approval of three-fourths of the States will destroy all chance of adopting  
31 the amendment. Of course, no one can speak with certainty upon this point, but I have become convinced that a great  
32 majority of the people of this country are in favor of investing the National Government with power to levy an income  
33 tax, and that they will secure the adoption of the amendment in the States, if proposed to them.

34 Second, *the decision in the Pollock case left power in the National Government to levy an excise tax, which*  
35 *accomplishes the same purpose as a corporation income tax* and is free from certain objections urged to the proposed  
36 income tax measure.

37 I therefore recommend an *amendment to the tariff bill imposing upon all corporations and joint stock companies for*  
38 *profit*, except national banks (otherwise taxed), savings banks, and building and loan associations, *an excise tax* measured  
39 by 2 per cent on the net income of such corporations. *This is an excise tax upon the privilege of doing business as an*  
40 *artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock.* [Emphasis  
41 added] I am informed that a 2 per cent tax of this character would bring into the Treasury of the United States not less  
42 than \$25,000,000.

43 The decision of the Supreme Court in the case of Spreckels Sugar Refining Company against McClain (192 U.S., 397),  
44 seems clearly to *establish the principle that such a tax as this is an excise tax upon privilege and not a direct tax on*  
45 *property*, and is within the federal power without apportionment according to population. The tax on net income is  
46 preferable to one proportionate to a percentage of the gross receipts, because it is a tax upon success and not failure. It  
47 imposes a burden at the source of the income at a time when the corporation is well able to pay and when collection is  
48 easy.

49 Another merit of this tax is the federal supervision, which must be exercised in order to make the law effective over the  
50 annual accounts and business transactions of all corporations. While the faculty of assuming a corporate form has been  
51 of the utmost utility in the business world, it is also true that substantially all of the abuses and all of the evils which have  
52 aroused the public to the necessity of reform were made possible by the use of this very faculty. If now, by a perfectly  
53 legitimate and effective system of taxation, we are incidentally able to possess the Government and the stockholders and  
54 the public of the knowledge of the real business transactions and the gains and profits of every corporation in the country,  
55 we have made a long step toward that supervisory control of corporations which may prevent a further abuse of power.

1 I recommend, then, first, the adoption of a joint resolution by two-thirds of both Houses, proposing to the States an  
2 amendment to the Constitution granting to the Federal Government the right to levy and collect an income tax without  
3 apportionment among the several States according to population; and, second, the enactment, as part of the pending  
4 revenue measure, either as a substitute for, or in addition to, the inheritance tax, of an excise tax upon all corporations,  
5 measured by 2 percent of their net income.

6 Wm. H. Taft

7 Some people have asserted that it is deceptive to claim that the phrase above "**shall propose an amendment to the Constitution**  
8 **conferring the power to levy an income tax upon the National Government**" implies it is a tax upon the government. In retort,  
9 the following proves we are not only correct, but that the only real DECEPTIVE one was Taft Himself:

- 10 1. Taft could have said "**shall propose an amendment to the Constitution conferring upon the national government**  
11 **the power to levy an income tax**" but DID NOT state it more correctly this way.
- 12 2. The legislative implementation of what he proposed he described as an excise and a privilege tax ONLY upon  
13 corporations, which even after the Sixteenth Amendment was ratified, is EXACTLY and ONLY what the Sixteenth  
14 Amendment currently authorizes. These corporations are NATIONAL corporations, not STATE corporations, by the  
15 way.

16 "Income" has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909,  
17 in the Sixteenth Amendment, and in the various revenue acts subsequently passed. Southern Pacific  
18 Co. v. Lowe, 247 U.S. 330, 335; Merchants' L. & T. Co. v. Smietanka, 255 U.S. 509, 219. After full  
19 consideration, this Court declared that income may be defined as gain derived from capital, from  
20 labor, or from both combined, including profit gained through sale or conversion of capital.  
21 Stratton's Independence v. Howbert, 231 U.S. 399, 415; Doyle v. Mitchell Brothers Co., 247 U.S.  
22 179, 185; Eisner v. Macomber, 252 U.S. 189, 207. And that definition has been adhered to and applied  
23 repeatedly. See, e.g., Merchants' L. & T. Co. v. Smietanka, supra; 518; Goodrich v. Edwards, 255 U.S. 527, 535;  
24 United States v. Phellis, 257 U.S. 156, 169; Miles v. Safe Deposit Co., 259 U.S. 247, 252-253; United States v.  
25 Supplee-Biddle Co., 265 U.S. 189, 194; Irwin v. Gavit, 268 U.S. 161, 167; Edwards v. Cuba Railroad, 268 U.S. 628,  
26 633. In determining what constitutes income, substance rather than form is to be given controlling weight. Eisner v.  
27 Macomber, supra, 206. [271 U.S. 175]"  
28 [Bowers v. Kerbaugh-Empire Co., 271 U.S. 170, 174, (1926)]

- 29 3. The U.S. Supreme Court in Downes v. Bidwell agreed that the income tax extends wherever the GOVERNMENT  
30 extends, rather than where the GEOGRAPHY extends. Notice it says "without limitation as to place" and "places over  
31 which the GOVERNMENT extends".

32 "Loughborough v. Blake, 18 U.S. 317, 5 Wheat. 317, 5 L.Ed. 98, was an action of trespass (or, as appears by the original record, replevin)  
33 brought in the Circuit Court for the District of Columbia to try the right of Congress to impose a direct tax for general purposes on that District.  
34 3 Stat. 216, c. 60, Fed. 17, 1815. It was insisted that Congress could act in a double capacity: in [\*\*\*32] one as legislating [ \*260] for the  
35 States; in the other as a local legislature for the District of Columbia. In the latter character, it was admitted that the power of levying direct  
36 taxes might be exercised, but for District purposes only, as a state legislature might tax for state purposes; but that it could not legislate for  
37 the District under Art. I, sec. 8, giving to Congress the power "to lay and collect taxes, imposts and excises," which "shall be uniform  
38 throughout the [CONSTITUTIONAL] United States[\*\*\*]," inasmuch as the District was no part of the [CONSTITUTIONAL] United  
39 States[\*\*\*]. It was held that the grant of this power was a general one without limitation as to place, and consequently extended to all places  
40 over which the government extends; and that it extended to the District of Columbia as a constituent part of the United States. The fact that  
41 Art. I, sec. 20, declares that "representatives and direct taxes shall be apportioned among the several States . . . according to their respective  
42 numbers," furnished a standard by which taxes were apportioned; but not to exempt any part of the country from their operation. "The words  
43 used do not mean, that direct taxes shall be imposed on States only which are [\*\*\*33] represented, or shall be apportioned to representatives;  
44 but that direct taxation, in its application to States, shall be apportioned to numbers." That Art. I, sec. 9, P4, declaring that direct taxes shall be  
45 laid in proportion to the census, was applicable to the District of Columbia, "and will enable Congress to apportion on it its just and equal share  
46 of the burden, with the same accuracy as on the respective States. If the tax be laid in this proportion, it is within the very words of the restriction.  
47 It is a tax in proportion to the census or enumeration referred to." It was further held that the words of the ninth section did not "in terms require  
48 that the system of direct taxation, when resorted to, shall be extended to the territories, as the words of the second section require that it shall be  
49 extended to all the [\*\*777] States. They therefore may, without violence, be understood to give a rule when the territories shall be taxed without  
50 imposing the necessity of taxing them."  
51 [Downes v. Bidwell, 182 U.S. 244 (1901)]

- 52 4. The fact that when former President and then Chief Justice Taft heard the FIRST case in the Supreme court after  
53 ratification, he stated that the liability for an income tax had NOTHING TO DO with one's nationality or domicile!  
54 Cook, American national abroad in Mexico and domiciled there was outside the statutory geographical "United States".  
55 Recall that the U.S. Supreme Court in [Lawrence v. State Tax Commission, 286 U.S. 276 \(1932\)](#) held that domicile was  
56 the SOLE basis for income tax so Cook technically could NOT owe an income tax. But his litigation related to a 1040  
57 return he previously filed in which he INCORRECTLY declared his status as that of a "U.S individual". Thus, he made

1 an ELECTION (consent) to be treated as a statutory "U.S. person" and thus ELECTED himself into a voluntary  
2 "taxpayer" office to procure protection of the national government while abroad. Notice he calls "protection" a  
3 BENEFIT, and thus a VOLUNTARY EXCISE TAXABLE FRANCHISE! Notice he says the SOLE BASIS in this  
4 case was the STATUTORY STATUS under the Internal Revenue Code of "citizen", and not "domicile". That civil  
5 statutory status and NOT Constitutional or Fourteenth Amendment status, we prove in [How State Nationals Volunteer  
to Pay Income Tax, Form #08.024](#), is an OFFICE within the Department of Treasury who works for the Secretary of  
6 the Treasury.  
7

8 *"The contention was rejected that a citizen's property without the limits of the United States derives no benefit from the  
9 United States. The contention, it was said, came from the confusion of thought in "mistaking the scope and extent of the  
10 sovereign power of the United States as a nation and its relations to its citizens and their relations to it." **And that power  
11 in its scope and extent, it was decided, is based on the presumption that government by its very nature benefits the  
12 citizen and his property wherever found, and that opposition to it holds on to citizenship while it "belittles and destroys  
13 its advantages and blessings by denying the possession by government of an essential power required to make  
14 citizenship completely beneficial."** In other words, the principle was declared that the government, by its very nature,  
15 benefits the citizen and his property wherever found and, therefore, has the power to make the benefit complete. Or to  
16 express it another way, the basis of the power to tax was not and cannot be made dependent upon the situs of the  
17 property in all cases, it being in or out of the United States, and was not and cannot be made dependent upon the  
18 domicile of the citizen, that being in or out of the United States, but upon his relation as citizen to the United States  
19 and the relation of the latter to him as citizen. The consequence of the relations is that the native citizen who is taxed  
20 may have domicile, and the property from which his income is derived may have situs, in a foreign country and the tax  
21 be legal — the government having power to impose the tax."  
22*

*[Cook v. Tait, 265 U.S. 47 (1924)]*

- 23 5. The definition of "person" in [26 U.S.C. §6671\(b\)](#) and [26 U.S.C. §7343](#) for the purposes of penalty and criminal  
24 enforcement purposes limits itself to government employees and instrumentalities of the government. The rules of  
25 statutory construction and interpretation forbid adding anything to these definitions not expressly provided, such as  
26 PRIVATE constitutionally protected men and women. Thus, anyone who doesn't fall within the ambit of these  
27 definitions is, by definition, a VOLUNTEER because not a proper target of enforcement.

28 [TITLE 26 > Subtitle F > CHAPTER 68 > Subchapter B > PART I > Sec. 6671](#)  
29 [Sec. 6671](#). - Rules for application of assessable penalties  
30 (b) Person defined

31 *The term "person", as used in this subchapter, includes an officer or employee of a corporation, or a member or  
32 employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of  
33 which the violation occurs.*

34  
35 [TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter D > Sec. 7343](#).  
36 [Sec. 7343](#). - Definition of term "person"

37 *The term "person" as used in this chapter [[Chapter 75](#)] includes an officer or employee of a corporation, or a  
38 member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the  
39 act in respect of which the violation occurs*

- 40 6. The following memorandum of law proves that the only proper target of IRS enforcement are public officers WITHIN  
41 the government.

[Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes](#), Form #05.008  
<https://sedm.org/Forms/05-MemLaw/WhyThiefOrPubOfficer.pdf>

- 42 7. The fact that "[United States](#)" is geographically defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10) as the District of  
43 Columbia and the CONSTITUTIONAL states of the Union are never mentioned. That place is synonymous with the  
44 GOVERNMENT in [4 U.S.C. §72](#) and not any geography.  
45 8. The fact that the ACTIVITY that is subject to excise taxation within the Internal Revenue Code is legally defined in [26](#)  
46 [U.S.C. §7701\(a\)\(26\)](#) as "the functions of a public office", meaning an office WITHIN the national and not state  
47 government. For exhaustive details on this subject, see:

[The "Trade or Business" Scam](#), Form #05.001  
<https://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf>

- 48 9. The fact that the Federal Register Act and the Administrative Procedures act both limit the TARGET of direct  
49 STATUTORY enforcement to the following groups, none of which include most people in states of the Union and  
50 which primarily consist of government employees only:



- 1 9.1. A military or foreign affairs function of the United States. [5 U.S.C. §553\(a\)\(1\)](#) .  
2 9.2. A matter relating to agency management or personnel or **to public property, loans, grants, benefits, or**  
3 **contracts.** [5 U.S.C. §553\(a\)\(2\)](#).  
4 9.3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 U.S.C. §1505\(a\)\(1\)](#).  
5 You can find more on the above in:

*Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union*, Form #05.052  
<https://sedm.org/Forms/05-Memlaw/ChallengeToIRSEnforcementAuth.pdf>

- 6 10. The fact that they can only tax legislatively created offices who work for them. See:

*Hierarchy of Sovereignty: The Power to Create is the Power to Tax*, Family Guardian Fellowship  
<https://famguardian.org/Subjects/Taxes/Remedies/PowerToCreate.htm>

- 7 11. The idea that governments are created to PROTECT private property, not steal it, and that taxation involves the  
8 institutionalized process of converting PRIVATE property to PUBLIC property without the express consent of the  
9 owner. Thus, the process of PAYING for government protection involves the OPPOSITE purpose for which  
10 governments are created—converting PRIVATE property to PUBLIC property, often without the consent of the owner,  
11 for the purposes of delivering the OPPOSITE, which is PREVENTING PRIVATE property from being converted to  
12 PUBLIC property! The Declaration of Independence declares that all just powers derive from the consent of the  
13 governed, and yet we make an EXCEPTION to that requirement when it comes to taxation? Absurd. So they HAVE to  
14 procure your consent to occupy a civil statutory office BEFORE they can enforce against you or else they are violating  
15 the Thirteenth Amendment and engaging in criminal human trafficking. For a description of just how absurd it is to  
16 NOT require consent to this office and to convert (STEAL) private property without the consent of the owner, see:

*Separation Between Public and Private Course*, Form #12.025  
<https://sedm.org/LibertyU/SeparatingPublicPrivate.pdf>

- 17 12. A query of the ChatGPT-4 AI Chatbot confirms our analysis is correct:

In the phrase " shall propose an amendment to the Constitution conferring the power to levy an income tax upon XYZ", was this a tax upon xyz or upon people OTHER than xyz?

✓ Searching for: what is the meaning of "levy an income tax upon XYZ" in the constitution

✓ Generating answers for you...

The phrase "shall propose an amendment to the Constitution conferring the power to levy an income tax upon XYZ" means that the amendment would give the National Government the power to impose a tax on XYZ<sup>1</sup>. Therefore, the income tax would be imposed on XYZ and not on people other than XYZ.

Learn more:

1. [merriam-webster.com](https://www.merriam-webster.com)

2. [merriam-webster.com](https://www.merriam-webster.com)

3. [britannica.com](https://www.britannica.com) — see less

1

2 So what the President proposed was an excise tax on the government itself, and nothing more. This is important. More on  
3 the history of the Sixteenth Amendment at:

- 4 1. [Taxation Page](https://famguardian.org/Subjects/Taxes/taxes.htm), Section 13: 16th Amendment, Family Guardian Fellowship  
5 <https://famguardian.org/Subjects/Taxes/taxes.htm>
- 6 2. [Great IRS Hoax](https://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm), Form #11.302, Sections 3.8.11 and 3.8.12  
7 <https://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 8 3. [Great IRS Hoax](#), Form #11.302, Section 6.7.1: 1925: William H. Taft's Certiori Act of 1925. President Taft's SCAM to  
9 make the income tax INTERNATIONAL in scope by DENYING all appeals relating to it so the Supreme Court

wouldn't have to rule on the illegal enforcement of the income tax.

<https://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>

4. The Law that Never Was, William Benson. Book about the FRAUDULENT ratification of the Sixteenth Amendment.
5. Congressional Debates on the Sixteenth Amendment, Family Guardian Fellowship  
<http://famguardian.org/TaxFreedom/History/Congress/1909-16thAmendCongrRecord.pdf>

EVEN in the case of item 2 of the extraterritorial jurisdiction list entitled "A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts" above, legislative control over property is limited to public offices, and NOT to private state nationals. A "public officer", after all, is legally defined in Black's Law Dictionary as someone in charge of the PROPERTY of the public. We have never seen any case hold that merely possessing physical property of the national government while physically present within a constitutional state confers DIRECT, PERSONAL legislative jurisdiction over the person whose hands that property is physically in.

The above exceptions are discussed in:

1. Hot Issues: Laws of Property, SEDM  
<https://sedm.org/laws-of-property/>
2. Why the Federal Income Tax is a Privilege Tax Upon Government Property, Form #04.404  
<https://sedm.org/product/why-the-federal-income-tax-is-a-privilege-tax-on-government-property-form-04-404/>
3. Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union, Form #05.052  
<https://sedm.org/Forms/05-Memlaw/ChallengeToIRSEnforcementAuth.pdf>
4. Federal Enforcement Authority within States of the Union, Form #05.032  
<https://sedm.org/reference/mbr-sub-area/>
5. IRS Due Process Meeting Handout, Form #03.008  
<https://sedm.org/Forms/03-Discovery/IRSDueProcMtgHandout.pdf>

The lower case word "state" in the context of federal statutes and regulations means one of the 50 union states, which are "foreign states", and "foreign countries" with respect to the federal government as clearly explained in section 5.2.11 of the Great IRS Hoax, Form #11.302 (OFFSITE LINK) book. In the context of the above, a "Union State" means one of the 50 Union states of the United States\* (the country, not the federal United States\*\*) mentioned in the Constitution for the United States of America.

If you would like to know all the implications of the separation of powers reflected in the above table, as well as a history of unconstitutional efforts to destroy this separation, see the following references:

1. Government Conspiracy to Destroy the Separation of Powers, Form #05.023  
<https://sedm.org/Forms/05-MemLaw/SeparationOfPowers.pdf>
2. Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic: "Separation of Powers" (OFFSITE LINK)  
<http://famguardian.org/TaxFreedom/CitesByTopic/SeparationOfPowers.htm>

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#### FOOTNOTES:

- [1] See California Revenue and Taxation Code, section 6017.
- [2] See California Revenue and Taxation Code, section 17018.
- [3] See, for instance, U.S. Constitution Article IV, Section 2.
- [4] See <https://www.law.cornell.edu/uscode/text/48>

### **3. Government Organization**

The "system" of the United States is one of taxation and can appear to be more than complicated especially to those you perceive to know or should know how this "system" functions or works because most of those who you pay to know it actually no nothing about the actual system. They just know how to do the thing they are selling to you and go to the next client.

There is a reason why Attorneys will not make any system changing representations against the Department of Justice's promotion of the system, and its enforcement, **and that is because the license is worth more to the Attorneys than any single client's money.**

1 You must start somewhere. Usually the starting point is what gave rise to your situation which caused you to encounter the  
2 "system" in the first place. I will use the IRS as an example since everyone knows that part of the system exists at least in  
3 theory.

4 For the purpose of this email let's presuppose you either did not file ("deliver") a tax form containing the information sought  
5 by the IRS's "information collection request" "form" or you failed to pay ("deliver") the correct amount the information  
6 collected by the IRS suggests you actually owed (W-2 or 1099).

7 To start, **you must know who it is that you are dealing with.** Let's call this the "background check". The IRS is an "agency"  
8 but who created it? The Supreme Court and every Court to ever address this issue held the IRS was created **by the Secretary**  
9 **of the Treasury** ("SOTT") pursuant to the SOTT's power at Title 26, Sec. 7805 to administer and enforce by regulation the  
10 internal revenue laws. **This means the IRS is an "bureau" created by "regulations" and not an agency created by**  
11 **Congress.**

12 For example, **the Department of the Treasury** is created at Title 31, Sec. 301. **The Department of Justice** is created at  
13 Title 28, Sec. 501. Both of these "departments" are "at the seat of Government." The seat of United States Government  
14 codified to be in **the District of Columbia at Title 4, Sec. 71.**

15 DOESN'T IT FEEL GOOD TO KNOW AS MUCH ABOUT THE UNITED STATES GOVERNMENT AS THERE IS TO  
16 KNOW? **This U.S. Government cannot act outside D.C. through its "offices" and "officers" except if "expressly provided**  
17 **by law."** See Title 4, Sec. 72.

### 18 **3.1 History of the Department of the Treasury**<sup>2</sup>

19 This story of the Department of Treasury starts around the 1830 era. The States and United States were getting ripped off by  
20 the banks where they deposited their money. This was called in history the great banking swindles. In order to protect  
21 themselves these, corporations, States and United States, decided to create their own Independent Treasury in 1840 under  
22 Van Buren's message, 5 Sept. 1837. However it was bitterly opposed by Henry Clay and Daniel Webster who were Whigs, a  
23 party devoted to Nationalist tendencies. The independent treasury bill, also known as the subtreasury or divorce bill, was  
24 introduced in the Senate where it passed. It incorporated the legal-tender amendment. This proviso called for a gradual  
25 reduction in the acceptance of notes of specie-paying banks in payment of government dues until 1841, when all payment  
26 should be made in legal tender. Oh, Oh, the governments are now violating their agreement back in 1783 with the Crown and  
27 violated the obligation in the Constitution that only the PRIVATE banks could issue paper money which were instituted as  
28 the first bank of the United States, which was run by foreign controlled stockholders of the British realm. These foreign  
29 stockholders are listed in the American Almanac and Repository for the year 1833, which was obtained from the University  
30 of Lewisburg. John Marshall, the Chief Justice of the supreme court is listed as having 3878 shares and the second largest  
31 foreign stockholder. He ruled against the constitution when ruling for the bank in the well-known McCulloch case in  
32 Maryland. Conflict of interest runs rampant in "government" now and then doesn't it? Because the hard money would show  
33 the inflation of paper money, it had to be stopped to support the federal reserve note by the Crown operating through the  
34 internationalist bankers.

35 The Independent Treasury had a Secretary of Treasury and was named "the Secretary of the Treasury of the United States."  
36 Yes, he really existed because there was an honest to goodness United States Treasury. Enter now the problem solvers, the  
37 King in drag. They proceeded to abolish the United States Treasury in the year 1921 by the Act of 1920<sup>3</sup>. Now the fraud will  
38 be shown for what it is by, how do you say it; watch, for my tongue does not leave my mouth as it forks both ways of the  
39 white man, or something to that effect. In other words we are not dealing with people that we think we should be dealing with  
40 in the taxation scam. We are scraping the top portion to get you started. So here we go down the rabbit trail.

41 Under Independent Treasury, 31 U.S.C. §3322:

42 *"Historical and Revision notes; In subsection (a), before clause (1), the words 'Secretary of the Treasury' are substituted*  
43 *for 'Treasurer of the United States' because the of the source provisions restated in section 321 (c) of the revised title. . .*

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<sup>2</sup> Adapted from "Going after the wrong people", by "The Informer", <http://atgpress.com>. Website was disestablished 2010.

<sup>3</sup> Act of May 29, 1920, (ch. 214 41 Stat 254).

1 . The words `treasurer or' are omitted as obsolete because of the 1st-4th pars. under the heading `Independent Treasury'  
2 in the Act of May 29, 1920 (ch. 214, 41 Stat. 654; also see 31 U.S.C. §3301 Historical Notes. “

3 Ok, let us look at 41 Stat 654, which says,

4 "Act May 29, 1920, abolished office of Assistant Treasurer at specified cities."

5 41 Stat. 654 is the source for 12 U.S.C. §121. Now let us look at "section 321 (c)" in 41 Stat. Just as one would guess, that  
6 has been involved with the IRS over many years, alcohol.

7 41 Stat 321, source for 27 U.S.C. Secs 71 to 90a. Omitted. These sections were omitted by the codification into the Internal  
8 Revenue Code of 1939.

9 We will refer only two of the sections in the above range of omitted statutes that were codified into the I.R.C. of 1939:

- 10 1. **Section 81**,<sup>4</sup> related to withdrawal of alcohol produced at any industrial alcohol plant tax-free for denaturing, for use  
11 by any scientific university, for scientific research by any laboratory, or for use in any hospital or sanitarium, was  
12 incorporated in sections 3108 (a) and 3124 (a) of Internal Revenue Code of 1939.
- 13 2. **Section 88**,<sup>5</sup> related to applicability of administrative provisions of internal revenue laws, was incorporated in section  
14 3122 of Internal Revenue Code of 1939.

15 So let us look at "47 Stat. 1957". In Section 81, it states;

16 "49 Stat. 1957, related to extension of industrial alcohol laws to Puerto Rico and Virgin Islands, was incorporated in  
17 section 3123 of Internal Revenue Code of 1939."

18 Now back to the Act of May 29, 1920, (ch. 214, 41 Stat 254), which is the source law for 31 U.S.C. §1310. The Historical  
19 and Revision Notes under 31 U.S.C. §1310 state:

20 "The word `official' is substituted for `officer' for consistency in the revised title. In clause (1), the word `Treasury' is  
21 substituted for `Treasurer of the United States' because of the source provisions restated in section 321 of the revised title  
22 and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280). The words `or of an assistant treasurer'  
23 in section 1 of the Act of June 23, 1874, are omitted as superseded by section 1 (1st par. under heading `Independent  
24 Treasury') of the Act of May 29, 1920 (ch. 214, 41 Stat 254)."

25 Ok people now you know Mary Ellen Withrow is the "Treasury" because she is the "Treasurer of the United States," correct?  
26 So why is it stated in the Notes,

27 "In subsection (c) (2), the word `Secretary' is substituted for `Treasurer" because of the source provisions restated in  
28 section 321 (c) of the revised title?"

29 Simple. There is no "secretary" that is the Secretary of the United States Treasury as there is no United States Independent  
30 Treasury anymore. Following the trail to this point you have:

31 **Table 1: Privatization of the Department of the Treasury**

What once was	Is now
Treasurer	"Secretary of the Treasury"
Treasurer of the United States	"Treasury"
Treasurer	"Secretary"

<sup>4</sup> Acts of Oct.28, 1919, ch 85, title III, sec. 11, 41 Stat 321; Aug 27, 1935, ch 740, sec. 18, 49 Stat. 876; June 26, 1936, ch. 830, title III, sec. 329 (b), 49 Stat. 1957.

<sup>5</sup> Act Oct. 28, 1919, ch 85, title III, sec. 18, 41 Stat. 322.



1 Read this until you have it firmly locked in your brain. The "Secretary" in the Internal Revenue Code is at present, Manual  
2 Diaz Saldana <sup>6</sup>, who, was the treasurer of Puerto Rico? He is the "Secretary of the Treasury of Puerto Rico." See, they don't  
3 tell you who is Secretary of what Treasury, do they? Fraud perhaps, but you didn't ask, did you? Are liars and thieves  
4 supposed to tell all? And all along you thought it was the Secretary of the Treasury or his predecessors because isn't he called  
5 Secretary of the Treasury? Don't presume anything when dealing with liars, thieves, profligates, cretins (all three branches  
6 of de facto usurpers) and the like.

7 Now go back and tie in 41 Stat 321, 49 Stat. 1957 with Title 27, Title 26 and all other sections where the term "secretary" is  
8 used such as 26 U.S.C. §6020(b). Do not confuse the Secretary of Treasury Robert Rubin with the Secretary of the Treasury  
9 Mary Ellen Withrow, (old Treasurer of the United States Treasury) or is it Manual Saldana, Secretary of Treasury of Puerto  
10 Rico? Rubin is Secretary of the treasury all right, but not of the United States. He is Secretary of treasury of the Federal  
11 Reserve/IMF. The agent of the United States that took place of the Independent Treasury through the Federal Reserve Act.  
12 That is why he has no subscribed oath of office required under 5 U.S.C. §3331 and why he is paid by the International  
13 Monetary Fund/Bank found in 60 Stat 1401 et seq. and 22 U.S.C. §286a. Rubin is not the "Secretary" described in 26 U.S.C.  
14 §6301, is he? And neither is Mary Ellen Withrow who is also the Secretary of the Treasury according to the chart above.

15 Now look at 26 U.S.C. §7401, and define the "secretary" so it does not conflict with the "secretary" in 26 U.S.C. §6301,  
16 defined in 27 C.F.R. §250.11. Can the "secretary" in 26 U.S.C. §7401 or any other Internal Revenue Code section be anyone  
17 other than the one defined in 26 U.S.C. §6301? If the answer is yes, then provide to me the definition found in any regulation  
18 or statute for another "secretary," otherwise it would be "manifestly incompatible with the intent thereof" of what Congress  
19 had in mind when abolishing the Independent Treasury, and changing the definitions all around, huh?

20 The Attorney General holds the Title of Alien Property Custodian and when they team up in 26 U.S.C. §7401, they both have  
21 to sign on the dotted line to prosecute you for what?: Alcohol, Tobacco and Firearms commercial crimes? How about contract  
22 crimes where you became a government statutory "employee" in 26 U.S.C. §3401(c) receiving statutory federal "wages?"

23 Why do they need an "Alien Property Custodian"? Because all income taxes under Internal Revenue Code, Subtitles A  
24 through C pertaining to "individuals" all relate to STATUTORY "aliens" in the USA or STATUTORY "citizens"/"residents"  
25 abroad who are ALSO aliens in relation to the country they are visiting seeking protection and privileges of the national  
26 government while abroad under a tax treaty. The definition of "individual" confirms this, and THIS "individual" is the same  
27 individual listed in the upper left corner of the IRS Form 1040. "Citizens" are nowhere included within the definition of  
28 "individual" and therefore are purposefully excluded. When they pay taxes under 26 U.S.C. §911, they are statutory  
29 "individuals" under a tax treaty with a foreign country while abroad, and therefore also "aliens" who are called "qualified  
30 individuals" in 26 U.S.C. §911(d)(1). To wit:

31 *26 C.F.R. 1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.*

32 *(c ) Definitions*

33 **(3) Individual.**

34 **(i) Alien individual.**

35 *The term alien individual means an individual who is not a citizen or a national of the United States. See Sec. 1.1-1(c).*

36 Now let us see what happened to those real Treasury "officers" that were changed to "officials" in section 321 when the  
37 Independent Treasury was abolished. We go to:

38 *5 U.S.C. §5512, Historical and Revision notes.*

39 *"In subsection (b), reference to the 'General Accounting Office' is substituted for 'accounting officers of the Treasury' on*  
40 *authority of the Act of June 10, 1921, ch 18, title III, 42 Stat. 23. Reference to the 'Attorney General' is substituted for*  
41 *'Solicitor of the Treasury' and 'Solicitor' on authority of section 16 of the Act of March 3, 1933, ch 212, 47 Stat. 1517;*  
42 *section 5 of E.O. 6166, June 10, 1933; and section 1 of 1950 Reorg. Plan No. 2, 64 Stat. 1261."*

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<sup>6</sup> Note 26 U.S.C. §6301 and 27 C.F.R. §250.11, defines this "secretary."

1 What becomes apparent now is that the term Solicitor only deals with contracting parties and operates in Chancery court to  
2 which he represents the Treasury. There must be a contract. Do you have one with the government? No? Better think again  
3 when we get to joint-venture. A solicitor can control the property in the interim during a case. The contract is the "trade or  
4 business" franchise that forms the heart of the Internal Revenue Code, Subtitles A through C excise tax.

5 Now there is a statute that declared the "attorney General" to become the "Alien Property Custodian." Before we get to that  
6 you will have to understand the functions of the Alien Property Custodian and why it is so critical to understand in reference  
7 to the above paragraph's dates dealing with the War Powers Act, so read Title 50 Appendix, Sec. 9. After reading this we  
8 now come to the meat of who is coming after you for taxes in conjunction with the Secretary of the Treasury of Puerto Rico  
9 by reading the following:

10 *"Attorney General. The term 'Attorney General' includes the Alien Property Custodian whose functions were transferred*  
11 *to the Attorney General pursuant to Executive Order 9788 (3 C.F.R. 1943-1948 Comp., p.575) . . . ."*  
12 *[26 C.F.R. §303.1-1 (b)]*

13 Please note the word "includes" is restrictive. This is proof that the word "includes" is restrictive in all IRS code or statute  
14 where the word means is not used. You don't have to go any further than this for proofs.

15 *"Trading With the Enemy Act. The term 'Trading With the Enemy Act' includes all amendments of such Act, and all*  
16 *orders, rules, and regulations issued or prescribed under such Act or any such amendment."*  
17 *[26 C.F.R. §303.1-1 (f)]*

18 Now put 26 C.F.R. §303.1-1 (d):

19 *" . . . charged with the liability for internal revenue tax in connection with such property."*

20 . . .with 26 C.F.R. §303.1-1 (g):

21 *"Property. The term 'property' includes money, . . . ."*

22 Federal reserve notes are property to which a liability attaches under:

23 *"Tax. The term 'tax' has the meaning stated in section 36(d) of the Trading With the Enemy Act as added by the Act of*  
24 *August 8, 1946."*  
25 *[26 C.F.R. §303.1-1 (j)]*

26 *"Interest and Penalties. (a) Liability for interest and civil penalties. Under subsection (d) of section 36, of the Trading*  
27 *With the Enemy Act there is no liability for interest or penalty on account of any act or failure of the Attorney General."*  
28 *[26 C.F.R. §303.1-6]*

29 *"Claims for refund or credit. (a) Claims for refund or credit must be filed within the period prescribed by section 6511*  
30 *of the Internal Revenue Code of 1954 as modified by section 36(c) of the Trading With the Enemy Act. . . ."*  
31 *[26 C.F.R. §303.1-7]*

32 Hello Enemy of congress, are you listening yet? Are you comprehending that the control of the IRC is done by the Trading  
33 With the Enemy Act of Congress?

34 *Title 50<sup>7</sup>*  
35 *PART I. PRESIDENT AND DEPARTMENT OF JUSTICE*  
36 *SECTION 101. FUNCTIONS OF THE ALIEN PROPERTY CUSTODIAN*

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<sup>7</sup> TITLE 5, APPENDIX, REORGANIZATION PLANS REORGANIZATION PLAN NO. 1 OF 1947, 12 F.R. 4534, 61 STAT. 951, AS AMENDED ACT JUNE 30, 1949, CH. 288, TITLE VI, SEC. 602(A)(1), FORMERLY TITLE V, SEC. 502(A)(1), 63 STAT. 399, REDESIGNATED SEPT. 5, 1950, CH. 849, SEC. 6(A), (B), 64 STAT. 583; SEPT. 13, 1982, PUB. L. 97-258, SEC. 5(B), 96 STAT. 1068, 1085, Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 1, 1947, pursuant to the provisions of the Reorganization Act of 1945, approved December 20, 1945.

1 (a) Except as provided by subsection (b) of this section, all functions vested by law in the Alien Property Custodian or the  
2 Office of Alien Property Custodian are transferred to the Attorney General and shall be performed by him or, subject to  
3 his direction and control, by such officers and agencies of the Department of Justice as he may designate.

4 (b) The functions vested by law in the Alien Property Custodian or the Office of Alien Property Custodian with respect to  
5 property or interests located in the Philippines or which were so located at the time of vesting in or transfer to an officer  
6 or agency of the United States under the Trading With the Enemy Act, as amended (50 App. U.S.C. 1 et seq.), are  
7 transferred to the President and shall be performed by him or, subject to his direction and control, by such officers and  
8 agencies as he may designate.

10 PART II. DEPARTMENT OF THE TREASURY  
11 SEC. 201. CONTRACT SETTLEMENT FUNCTIONS

12 (Repealed. Pub. L. 97-258, Sec. 5(b), Sept. 13, 1982, 96 Stat. 1068, 1085. Section transferred various contract settlement  
13 functions to the Secretary of the Treasury and abolished the Office of Contract Settlement.) [So now the contract is with  
14 the Treasurer who was the Secretary of Treasury of the United States? Does it say Secretary of the Treasury of the  
15 United States? So it must be the Treasurer, see above who you are dealing with.]

16 SEC. 202. NATIONAL PROHIBITION ACT FUNCTIONS

17 The functions of the Attorney General and of the Department of Justice with respect to (a) the determination of Internal  
18 Revenue taxes and penalties (exclusive of the determination of liability guaranteed by permit bonds) arising out of  
19 violations of the National Prohibition Act (see 27 U.S.C. note preceding Sec. 1) occurring prior to the repeal of the  
20 eighteenth amendment to the Constitution, and (b) the compromise, prior to reference to the Attorney General for suit, of  
21 liability for such taxes and penalties, are transferred to the Commissioner of Internal Revenue, Department of the  
22 Treasury: Provided, That any compromise of such liability shall be effected in accordance with the provisions of section  
23 3761 of the Internal Revenue Code (of 1939) (see 26 U.S.C. §7122). All files and records of the Department of Justice  
24 used primarily in the administration of the functions transferred by the provisions of this section are hereby made  
25 available to the Commissioner of Internal Revenue for use in the administration of such functions."

26 Are they talking about "individual income taxes" here or ATF taxes? Want to know why you are licensed, AKA the SS#, to  
27 get a job or otherwise? It is due to the revamping of the War Powers Act of 1917 to make the people the enemy of the banking  
28 cartel. They charge (tax) you for the use of the military scrip, AKA federal reserve note, as it is a foreign bill of exchange.  
29 Here is but a small portion of which you will have to read it all. I told you I'm only scratching the surface and those of you  
30 that wanted cites to research here they are.

31 TITLE 50 APPENDIX TRADING WITH THE ENEMY ACT OF 1917 ACT OCT

32 Sec. 3. Acts prohibited

33 It shall be unlawful -

34 (a) For any person in the United States, except with the license of the President, granted to such person, or to the enemy,  
35 or ally of enemy, as provided in this Act (sections 1 to 6, 7 to 39, and 41 to 44 of this Appendix) to trade, or attempt to  
36 trade, either directly or indirectly, with, to, or from, or for, or on account of, or on behalf of, or for the benefit of, any  
37 other person, with knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or is  
38 conducting or taking part in such trade, directly or indirectly, for, or on account of, or on behalf of, or for the benefit of,  
39 an enemy or ally of enemy.

40 Sec. 30. Attachment or garnishment of funds or property held by Custodian <sup>15</sup>

41 Any money or other property returnable under subsection (b) or (n) of section 9 (section 9(b) or (n) of this Appendix)  
42 shall, at any time prior to such return, be subject to attachment in accordance with the provisions of the code of law for  
43 the District of Columbia, as amended, relating to attachments in suits at law and to attachments for the enforcement of  
44 judgments at law and decrees in equity, but any writ of attachment or garnishment issuing in any such suit, or for the  
45 enforcement of any judgment or decree, shall be served only upon the Alien Property Custodian, who shall for the  
46 purposes of this section be considered as holding credits in favor of the person entitled to such return to the extent of the  
47 value of the money or other property so returnable. Nothing in this section shall be construed as authorizing the taking  
48 of actual possession, by any officer of any court, of any money or other property held by the Alien Property Custodian or  
49 by the Treasurer of the United States.

50 TRANSFER OF FUNCTIONS



1 *Functions of Alien Property Custodian and Office of Alien Property Custodian, except those relating to property or*  
2 *interest in Philippines, vested in Attorney General. See notes set out under section 6 of this Appendix. emphasis added*

3 **WORLD WAR II ALIEN PROPERTY CUSTODIAN**

4 *Reestablishment and termination of Office of Alien Property Custodian during World War II, see notes set out under*  
5 *section 6 of this Appendix.*

6 **SECTION REFERRED TO IN OTHER SECTIONS**

7 This section is referred to in Title 28, Section 2680.

8 There you have it people, the Attorney General is coming after your property and he has no interest or power over the  
9 Philippines, just you. Hey, file a tort action, it's right in 28 U.S.C. §2680. And there are other avenues located within this  
10 treatise to get remedy. The question to ask is,

11 *"What RIGHT do they have to bring the action in the first place, rather than, what claim do they have to bring?"*

12 42 Stat. 23 created the General Accounting office which is not an agency by any stretch of the imagination. It is an  
13 independent establishment <sup>8</sup>. To prove it is not an agency read 5 U.S.C. §3132, and while you are at it pull 5 U.S.C. §§4101,  
14 4301, 4501, 5102, 5342, 5531, 5561 and 7511 for the definition of statutory "employee" and who it is, and is not and 4701.  
15 4701 describes "eligible." Here you will see if you are "eligible" to qualify for government employment, under 26 U.S.C.  
16 §3401. If you think you have dependents that can be claimed under 26 U.S.C. §152, think again after reading Title 5 Appendix,  
17 Sec. 109 definitions. Are you a federal official? Another cite you should fully investigate is 5 U.S.C. Sec. 5921.

18 *"For the purpose of this subchapter –*

19 *(1) 'Government' means the Government of the United States;*

20 *(2) 'agency' means an Executive agency and the Library of Congress, but does not include a Government controlled*  
21 *corporation;*

22 *(3) 'employee' means an employee in or under an agency and more specifically defined by regulations prescribed by the*  
23 *President; Reference to 'ambassadors, ministers, and officers of the Foreign Service under the Department of State' is*  
24 *omitted as included in the definition of 'employee'. Emphasis added*

25 In the Historical notes this is more explicit;

26 *"In paragraph (3), the word 'employee' is substituted for 'individual in the civilian service' in view of the definition of*  
27 *'employee' in section 2105."*

28 Further on in the notes you will find this:

29 *"Section 522 of Pub. L. 86-707, Sept. 6, 1960, 74 Stat. 802. Overseas Differentials and Allowances Act, provided that:*

30 *'Notwithstanding any provision of this Act (enacting chapter 37 of former title 5 (now covered by this subchapter),*  
31 *amending other sections as shown in the Tables, and enacting provisions set out as notes under this section and section*  
32 *912 of Title 26, Internal Revenue Code) and until such time as regulations are issued under this Act, employees shall*  
33 *continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in*  
34 *effect immediately prior to the enactment of this Act (Sept. 6, 1960) and such rules and regulations may be amended or*  
35 *revoked in accordance with the provision of such laws.'*

36 By removing words such as "ambassador", "foreign counsel" and others as surplusage, they can get away with calling  
37 anybody a statutory "employee" because the definitive term was abolished. Also note the word "civilian service" does not  
38 mean you, unless you are the "eligible" working for the corporation called the "United States" or State because the other  
39 "service" is the military service. So "individual" is a term to describe an officer or statutory "employee" of the government,  
40 NOT you from the private sector. Now go to 5 U.S.C. §2105 and you will see that you, the average American is not described  
41 as an "employee." Oh darn it, now you have to go all the way back to 2 U.S.C. §60e, Title 5, Part III, Subpart D, Chapter 53,  
42 Subchapter III, to find the General Schedule Pay Rate of those to be taxed and the sections that apply in all 50 titles of the  
43 U.S. Codes. In there is 26 U.S.C. §§7471, 9010 and 9040. Now we have to go to 22 U.S.C. §3310, FOOTNOTE 2, and that

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<sup>8</sup> 5 U.S.C. §104; 5 U.S.C. §902 leading you to 902 (a) of former Title 5 and Title 60e-2(b) and all of 2 U.S.C. Chapter 4.

1 leads us to 5 U.S.C. §8334 (4) (A), federal wages. Gosh, does that mean that, 42 U.S.C. §1717, "assignment of benefits;  
2 execution, levy, etc., against benefits" apply to you under 26 U.S.C. §6331(a) before (b), (c), (d) can apply? We have always  
3 said the reason they don't put Sec 6331 (a) on the notice of levy to your employer is fraud to cover their theft. They don't need  
4 it for one of their own because they are paying them out of the treasury.

5 Here is the proof. Now the cestui que trust (the PUBLIC TRUST) they are operating has just dealt them a death blow under  
6 breach of fiduciary trust because the Constitution is nothing but a treaty obligation on the people in government, not you.  
7 Look also at 31 U.S.C. §1309 to see if you are working for a statutory "employer" under 26 U.S.C. §3401(d) as an "employee"  
8 under 3401 (c) for this Social Security tax. Are you? A case for Joint-Venture would have to be proved to bring you into the  
9 subject matter jurisdiction. Now we are back to the "solicitor" and "Alien Property Custodian" and the "contract that you  
10 thought you didn't have. They already have jurisdiction over the subject matter because Congress gave the courts that much.  
11 A footnote in a case <sup>9</sup>,

12 *"The now widely recognized legal concept of joint adventurers is of modern origin. It has been said to be purely the*  
13 *creature of the American courts. [Oh, not the legislature?] The early common law did not recognize the relationship of*  
14 *co-adventurers unless the elements of a partnership were disclosed and proved. 30 Am Jur. page 676."*  
15 *[Porter v. Cooke, 127 F.2d. 853 note 8]*

16 What this is saying is that the government does not have to prove you are in a joint-venture with them as a corporation, 28  
17 U.S.C. §3002(15)(A) . It is presumed you are since:

- 18 1. You claim statutory "citizen" or "resident" status, which is a privilege/franchise.
- 19 2. You didn't object to the use of the international bill of exchange, which is the Federal Reserve Note. That note is  
20 property of the issuer on loan to you, which in turn creates the fiduciary duty as public officer:

21 *"How, then, are purely equitable obligations created? For the most part, either by the acts of third persons or by equity*  
22 *alone. **But how can one person impose an obligation upon another? By giving property [a Federal Reserve Note] to***  
23 ***the latter on the terms of his assuming an obligation [PUBLIC OFFICE] in respect to it. At law there are only two***  
24 ***means by which the object of the donor could be at all accomplished, consistently with the entire ownership of the***  
25 ***property passing to the donee, namely: first, by imposing a real obligation upon the property; secondly, by subjecting***  
26 ***the title of the donee to a condition subsequent.** The first of these the law does not permit; the second is entirely*  
27 *inadequate. Equity, however, can secure most of the objects of the doner, and yet avoid the mischiefs of real obligations*  
28 *by imposing upon the donee (and upon all persons to whom the property shall afterwards come without value or with*  
29 *notice) **a personal obligation with respect to the property; and accordingly this is what equity does.** It is in this way that*  
30 *all trusts are created, and all equitable charges made (i.e., equitable hypothecations or liens created) by testators in their*  
31 *wills. In this way, also, most trusts are created by acts inter vivos, except in those cases in which the trustee incurs a legal*  
32 *as well as an equitable obligation. **In short, as property is the subject of every equitable obligation, so the owner of***  
33 ***property is the only person whose act or acts can be the means of creating an obligation in respect to that property.***  
34 ***Moreover, the owner of property can create an obligation in respect to it in only two ways: first, by incurring the***  
35 ***obligation himself, in which case he commonly also incurs a legal obligation; secondly, by imposing the obligation***  
36 ***upon some third person; and this he does in the way just explained."***  
37 *[Readings on the History and System of the Common Law, Roscoe Pound, Second Edition, 1925, p. 543]*

38 That is the controlling fact, not that you are a statutory "employee" per 26 U.S.C. §3401(c) or have statutory "wages", and  
39 all the other collateral issues that haven't won in a coon's age. Ahh, but wait, you are forgetting something if you have read  
40 The Informer's *The New History of America* and James Montgomery's three treatises on British Colony rule and the  
41 Reconstruction Acts of a De Facto congress that put you under military occupation since the act of March 7, 1867.

42 Under the War Powers act and military conquest under Lincoln, the states became federal agents because the states were  
43 nothing but "districts" under military rule of Congress that was a DE FACTO Congress calling us the enemy under "imperfect  
44 war." <sup>10</sup> YES, we are the enemy of the de factos, not the real Congress that went Sine Die back in 1789. Here is where the  
45 state income tax issue comes in <sup>11</sup>. Also see 4 U.S.C. §111. 5 U.S.C. §5512 deals with "withholding of pay; individuals in  
46 arrears." This is where 26 U.S.C. §6331(a) comes into play for all government workers and not you people. Also referencing

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<sup>9</sup> Porter v. Cooke, 127 F.2d. 853 note 8.

<sup>10</sup> 78 American Jurisprudence 2d, War, §§. 2 thru 7, 167 (1999); People v Mcleod, 1 Hill 377, 25 Wend. 483; Head, Money  
Cases, 112 U.S. 580, 28 L.Ed. 798, 5 S. Ct 347; Fleming v Page, 50 U.S. 603, 13 L.Ed. 236.

<sup>11</sup> 5 U.S.C. §5517, cross reference to 2 U.S.C. §§60c-3, 60e-1a and 60e-1b and Title 37 Sec. 1007; 5 U.S.C. §5520 cross to  
39 U.S.C. §410.

1 to 60c-3 of Title 2 you will see at (c) (1) where the W-4 applies and who is to use it. Now you have the meat of the subject  
2 because this is what the term "covered employment" means, it is employment covered by federal employer or a corporation  
3 of a federal government, 28 U.S.C. §3002(15)(A). But wait, it gets better, so go pull and read these endnotes <sup>12</sup>. After reading  
4 these then remember 41 Stat. 321? Well at the end is 49 Stat 1964 related to the effect of act of June 26, 1936, which describes  
5 the duties and powers of the "Secretary of the Treasury." You all know by now who it is, don't we? This Stat is the source  
6 for 27 U.S.C. §202. You will love the Codification part where it states:

7 *"Subsections (a) to (d) provided for the creation of a Federal Alcohol Administration as a division of the **Treasury***  
8 ***Department.** [ Hey people, department, not "united States Treasury" as it was abolished in 1929] By act June 26, 1936,*  
9 *ch. 830, title V, 49 Stat. 1964, however, those subsections were repealed and a new Administration created as an*  
10 *independent agency <sup>13</sup>. The repealing act was to be effective when the new administrators authorized thereby were*  
11 *appointed. While the officers so authorized were never appointed and the repeal therefore never became effective,*  
12 *subsections (a) to (d) have been omitted in view of the Reorg. Plan No. III of 1940, set out in the Appendix to Title 5,*  
13 *Government Organization and Employees, which abolished the Administration and transferred its functions to the*  
14 *Secretary of the Treasury to be administered through the Bureau of Internal Revenue (now Internal Revenue Service)."*

15 Don't you just love what the de factos put in print for all to see? It's like leaving a 100 federal reserve note in plain sight and  
16 the thief never notices it. He goes for all the hiding places, as we do, and never finds what is out in plain sight.

17 So you think you have a good grasp on who is who? You better have because now go back and look at 41 Stat 654, which  
18 authorizes 12 U.S.C. Sections 121, 419 and 467, among other Titles. A closer look at sec. 121 reveals that by statute law the  
19 Treasurer must redeem any note of any association, of which the Federal Reserve is, in United States Notes <sup>14</sup>. So now we  
20 go to 12 U.S.C. §467. Tell me if Robert Rubin or Mary Ellen Withrow is "the Secretary of the Treasury authorized to receive  
21 deposits of gold or of gold certificates or of Special Drawing Right certificates with the treasurer or any designated depository  
22 of the United States . . ."? First, tell me what Treasury are we talking about and then the name of the secretary? If need be  
23 go back and see all the substitutions for terms when the Independent Treasury of the United States was abolished such as in  
24 31 U.S.C. §3322.

25 You have on hand in standard terminology the following;

- 26 1. Secretary of Treasury, Robert Rubin
- 27 2. Treasurer of the United States, Mary Ellen Withrow.
- 28 3. Secretary of the Treasury, Manual Diaz Saldana, who the people have no knowledge he exists.

29 Some questions come to mind by viewing the above list:

- 30 1. From the three above who is the "Secretary" described in 26 U.S.C. §6301 for he, "shall collect the taxes imposed by  
31 the internal revenue laws?"
- 32 2. Why do you write to "Secretary of the Treasury" in a tax matter? He's an agent of the International Monetary Fund  
33 who is not even paid by the U.S. government per 22 U.S.C. §286a(d).
- 34 3. Which of the three above or none of the above, oversees all the accounting of the money of the United States?
- 35 4. Have you ever asked under 26 U.S.C. §7401 for the authorization papers signed by Manual Saldana to come after you  
36 for a civil action?
- 37 5. What about a criminal action?
- 38 6. Isn't the Attorney General a solicitor, which means there must be a contract for him to get involved in bringing you to  
39 trial? ATF business is a contract isn't it because all the activities are franchise licensed and all franchises are contracts?

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<sup>12</sup> 31 U.S.C. §702, 702 (d); 41 Stat. 254; 5 U.S.C. §5513, 49 Stat. 393; 5 U.S.C. §5561(2); 5 U.S.C. §5531(1), (4), (5), (6),  
(7); 2 U.S.C. §60e-1a at a (1), (2), (d) (1) & (B), (C) and (C) (2) and the codification; 2 U.S.C. §60e-1b; 2 U.S.C. §60c-3, (a)  
(1) thru (c).

<sup>13</sup> Title 5 Appendix, Reorganization Plans, Reorg. Plan No III of 1940, Sec. 1 and 2. 54 Stat 1231, 54 Stat 231, as amended  
72 Stat. 806; 96 Stat 1068, 1085.

<sup>14</sup> Source law, June 20, 1874, ch. 343, Sec. 3, 18 Stat. 123; Dec. 23, 1913, ch. 6, Sec. 20, 38 Stat 271; May 29, 1920, ch. 214,  
Sec. 1, 41 Stat 654.

- 1 7. Doesn't the General Accounting Office have to report to the De Facto congress to account for all property given or  
2 taken by any officer of the United States and given to either the Alien Property Custodian or the Treasurer of the  
3 United States for accounting?
- 4 8. Why can't you go to the General Accounting Office <sup>15</sup> and demand to see where your specific property that was stolen  
5 has been properly accounted for by the GAO and that it was properly lodged with either the Alien Property Custodian  
6 or the Treasurer of the United States?
- 7 9. Isn't it possible that since the GAO is an independent instrumentality reporting only to de facto congress, that they are  
8 the next target to sue out for the response the IRS should have given you?

9 It might be for the following reason.

10 *TITLE 10, Subtitle A, PART II, CHAPTER 55*  
11 *Sec. 1084. Determinations of dependency*

12 *A determination of dependency by an administering Secretary under this chapter is conclusive. However, the*  
13 *administering Secretary may change a determination because of new evidence or for other good cause. The Secretary's*  
14 *determination may not be reviewed in any court or by the General Accounting Office, unless there has been fraud or*  
15 *gross negligence.*

16 So here is another "court" you can go to besides "any court." There is certainly enough fraud to defraud you of your  
17 property, labor, for commercial paper of no substance therefore, no quid pro quo. The Appellate pleading in Bruun v  
18 Hanson, 103 F.2d. 685, is the kicker against them. There are a few people who have the entire case.

- 19 10. On the federal reserve note there appears two signatures, one is the "Treasurer of the United States", the other  
20 "Secretary of the Treasury", correct?
- 21 11. Since the first is of the United States and the other is of a private banking concern called the IMF, do we now have a  
22 foreign bill of exchange authorized by two separate entities, namely the BORROWER, who is the de facto government,  
23 and the LENDER, who is the IMF?
- 24 12. Does this not then become an international bill of exchange issued by the IMF, which operates all over the world  
25 wherein some countries use it as their medium of exchange as does Panama?
- 26 13. If the "Treasurer of the United States" signed the note, what earthly good reason would her Secretary have to sign it  
27 and in what authoritative capacity? Aren't FRNs promissory notes, as held by the U.S. Supreme Court in the Legal  
28 Tender Cases and aren't all promissory notes LOANS involving the BORROWER/government and LENDER/Federal  
29 Reserve?
- 30 14. Wouldn't it be redundant and cause the federal reserve "note" (military scrip) to fail all banking laws on being a valid  
31 "note?"

32 Under Military law the civil authorities have been given control over the collection of revenues <sup>16</sup>.

- 33 1. Are revenues under maritime principles subject to admiralty rules?
- 34 2. Are Admiralty rules controlled by the commander in chief of a nation?
- 35 3. Does The United States have a President who is the commander in chief?
- 36 4. Is it under treaty to collect debts for the British Crown?
- 37 5. Does there exist a blocking Code on the Individual Master File (IMF)/Business Master File (BMF) for U.S./U.K  
38 Treaty?

39 The de facto congress has complete control over military rule, not the President of the corporation called the United States.  
40 This is evidenced by the veto of President Johnson's veto after Lincoln was killed. Congress put the people back under the  
41 military rule. Congress set up the Office of the Commissioner of Internal Revenue. That's all it set up.<sup>17</sup> It did not set up  
42 the Bureau of Internal Revenue. That fact has been brought to light so many times it's stale. In fact, not once, in all my  
43 research in Title 5, Government Organization, did the IRS, as an instrumentality, agency, or independent establishment ever

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<sup>15</sup> 2 U.S.C. §§478, 654; 5 U.S.C. §§104, 902, 3132,4701, 5102, 5342, 5531, 7328; 15 U.S.C. §42, Note, judges are paid the same as these commissioners under civil service, so where is the article III judges?; 15 U.S.C. §637c; 26 U.S.C. §§3304, 6050M; 31 U.S.C. §§702, 703, 713, 771, 781, 3301.

<sup>16</sup> 26 C.F.R. Part 303, 303.1-1; 303.1-6; 303.1-7.

<sup>17</sup> See SEDM Exhibit #04.013; <http://sedm.org/Exhibits/ExhibitIndex.htm>.

1 rear its ugly head to be defined as such. A department of Treasury means just that, a department because there is no U.S.  
2 Treasury any more. But go back and look at page 4, 31 U.S.C. §1310 and WHAT ONCE WAS- NOW IS. Therefore, any  
3 U.S. Attorney is committing fraud when defending or acting as plaintiff party for the IRS, which is not a legal entity. Name  
4 the statute generated by Congress that authorizes a U.S. Attorney to defend or represent a private IRS flunky that is simply  
5 hired by a district director, and not as a valid United States Employee under 5 U.S.C. §2105? Then to make matters more  
6 complicated for them, ask the Secretary of State, to authenticate the record that she has issued a license for that attorney to  
7 practice his profession as does every other corporate profession. You might have fun with the States also, because the Supreme  
8 Court only issues certificates of "club" incompetence to an attorney and have no executive power to license any one or any  
9 profession as does the Executive under UCC Rules.

10 Since I have exposed the admiralty principles used by the government in the two cases cited in my writings<sup>18</sup> that stated the  
11 procedure must start out in Admiralty, then proceed to the civil side of Admiralty to complete the case, shows how Manual  
12 Saldana plays an important part. This Secretary of Treasury was created, and by the Jones Act (Puerto Rico) and 48 U.S.C.  
13 §1469a-1 says,

14 *"Full amounts to be covered into treasuries of Guam, Northern Mariana Islands, Puerto Rico and Virgin Islands;*  
15 *reductions prohibited."*

16 . . .play a important part. The phrase "covered into" is controlling. Now for your homework, research this phrase "covered  
17 into," and "covered employment."

18 The real characters you should be addressing are:

- 19 1. The "Secretary" of the Treasury of Puerto Rico.
- 20 2. The Service Center Director, The Chief Collection officer, The Chief Assessment Officer, who are his "delegates".
- 21 3. Then the Treasurer of the United States.
- 22 4. The Alien Property Custodian (Attorney General).
- 23 5. The General Accounting Office Director.
- 24 6. And finally Congress, the real criminal usurpers (de facto).

25 Why have an alien property custodian? Because when the de facto congress in 1867 created an alien enemy, that is us the  
26 people, and they need to have enemies property taken it goes to the alien property custodian. People domiciled outside of  
27 federal territory in a legislatively foreign state, a state of the Union, are statutory but not constitutional "aliens" in relation to  
28 the national government. Have I rung any bells yet or are the cobwebs so thick the fly can't escape? Bring charges against  
29 Congress, especially the one or two usurpers that services the "district" that the action takes place against you. Charge them  
30 with every crime you can that they are subject to in Title 18. After all it is they who are bound by those corporate laws not  
31 you. Did you take an oath to uphold their corporate obligation handed down by the Crown? Did you take an oath of allegiance  
32 to their corporate flag? You know, the allegiance that was concocted and put into practice in the very late 1890's, that none  
33 of the "Founding Fathers" would ever dream of pledging. Sure, you can defend your country without taking allegiance to a  
34 piece of cloth that represents a monarchy in sheep's clothing, while it is really collecting from the ignorant sheeple the debt  
35 it owes to an oligarchy of federal reserve private bankers made long before you were born. I think you call that FRAUD of  
36 monumental proportions and a criminal act of their fiduciary capacity in administering a Cestui Que Trust, the Constitution.  
37 Not to mention the real benefactors are sucking the life blood out of you through their fraudulent banking system by using  
38 inflatable paper to confiscate the hard money that the first real United States Treasury tried to avoid.

39 How are some of you so called "patriots," for want of a better name, going to spread truth if you don't know the truth? For  
40 starters why don't you spread the word for people to buy and read *The New History of America* and James Montgomery's  
41 *British Colony I, II, & III*.

42 You want to get your property back? You have to go to the Alien Property Custodian under the following, if not predisposed  
43 to go to the Secretary of the Treasury of Puerto Rico.

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<sup>18</sup> 37 Federal Rules of Decision 564; 56 F.R.D. 459; and also U.S. Reports, Index to Admiralty Rules, Act of 23D of August, 1842, Chapter 188, 5 Stat. 516, Rules 23 to 32; The Cornell Law Quarterly, Vol X, No.4 June , 1925, How the Federal Courts Were Given Admiralty Jurisdiction, pg 460; Columbia Law Review, Vol. IX, No. 1 January 1909, Jurisdiction of The Admiralty in Cases of Tort; Benedict on Admiralty any Edition published by Matthew P. Bender.



1 50 USC APPENDIX - WAR AND NATIONAL DEFENSE Sec. 9  
2 TITLE 50, APPENDIX  
3 TRADING WITH THE ENEMY ACT OF 1917 ACT OCT  
4 Sec. 9. Claims to property transferred to custodian; notice of claim; filing; return of property; suits to recover; sale of  
5 claimed property in time of war or during national emergency.

6 -STATUTE-

7 (a) Any person not an enemy or ally of enemy claiming any interest, right, or title in any money or other property which  
8 may have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him  
9 hereunder and held by him [that's the Attorney General] or by the Treasurer of the United States, [that's Mary Ellen  
10 Withrow] or to whom any debt may be owing from an enemy or ally of enemy whose property or any part thereof shall  
11 have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder  
12 and held by him or by the Treasurer of the United States may file with the said custodian a notice of his claim under oath  
13 and in such form and containing such particulars as the said custodian shall require; and the President, if application is  
14 made therefor by the claimant, may order the payment, conveyance, transfer, assignment, or delivery to said claimant of  
15 the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the  
16 interest therein to which the President shall determine said claimant is entitled: Provided, That no such order by the  
17 President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish  
18 any right, title, or interest which he may have in such money or other property. If the President shall not so order  
19 within sixty days after the filing of such application or if the claimant shall have filed the notice as above required and  
20 shall have made no application to the President, said claimant may institute a suit in equity in the United States District  
21 Court for the District of Columbia or in the district court of the United States for the district in which such claimant  
22 resides, or, if a corporation, where it has its principal place of business (to which suit the Alien Property Custodian or  
23 the Treasurer of the United States, as the case may be, shall be made a party defendant), to establish the interest, right,  
24 title, or debt so claimed, and if so established the court shall order the payment, conveyance, transfer, assignment, or  
25 delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of  
26 the United States or the interest therein to which the court shall determine said claimant is entitled."

27 There is a lot more to this statute. I suggest you pull it and read it, especially all of you charged with 18 U.S.C. §371, which  
28 is listed in Benedict On Admiralty, as specifically a maritime (commercial Crime), look at 27 C.F.R. §72.11. This Title  
29 continues to state:

30 CROSS REFERENCES

31 Conspiracy to defraud United States, see section 371 of Title 18, Crimes and Criminal Procedure. Payment of taxes and  
32 expenses by Alien Property Custodian, see section 23 of this Appendix.

33 SECTION REFERRED TO IN OTHER SECTIONS

34 This section is referred to in sections 4, 12, 25, 26, 29, 30, 32, 33, 35, 36, 44 of this Appendix; Title 28, section 2680.

35 Is this statute stating that those having this property of yours are committing an 18 U.S.C. §371 crime if it is not reported?  
36 Does the Statutes apply to the corporate government officials, employees and the like, and NOT you, the slave to the system?  
37 Does this affect the IRS agent and those above him in command, all the way to the "Secretary" defined in 26 U.S.C. §6301?  
38 Could you go to the GAO and have them do an accounting of the property taken from you to see that it was reported and  
39 given to the Alien Property Custodian and the Treasurer of the United States? Think, people, think and use the brain the Lord  
40 Almighty gave you. Do you still want to be robbed again and again by a de facto congress and state legislators, the same as  
41 if a thief demanded money from you to only steal a little from you each year? And if you didn't he would seize your property  
42 as "booty" and sell it? That's exactly the type of usurpers you are living under and you give them your blessings to do it by  
43 voting for them as "your representatives." Read the *New History of America* and see what I mean. Your vote doesn't count  
44 one iota. The Electoral College votes as it sees fit to protect the usurpers. What do you do to usurpers? That's your choice.  
45 But don't continue to complain when you do no research. I don't want to hear that you have no time or that you are not  
46 educated enough. If we can do it, so can you. Collectively you can form groups. Collectively you have the time to be  
47 continually robbed, don't you? It makes me sick to hear people whine constantly and not do anything about it and then get  
48 mad at the researcher for trying when you love to be robbed day in and day out for your whole life with the lame excuse,  
49 "Oh, what would we do without government. We have to pay taxes?" Bahh, Humbug! I told you I am only scratching the  
50 surface with this short treatise.

51 But here is the kicker that destroys the last paragraph. What if they come after you and admitting that the USE of the private  
52 federal reserve scrip is what they are laying a tax upon? It's their private international bill of exchange and property on LOAN  
53 to you, isn't it? They flood the market with it don't they? Don't they need a way to regulate the supply of such fiat currency  
54 by using a so-called tax to extract excess amounts from circulation in order to regulate its value?

## 3.2 Secretary of the Treasury

The Secretary of the Treasury is defined in the I.R.C. as the following:

[TITLE 26 > Subtitle F > CHAPTER 79 > § 7701](#)  
[§ 7701. Definitions](#)

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

(1) Secretary of the Treasury and Secretary

(A) Secretary of the Treasury

The term “Secretary of the Treasury” means the Secretary of the Treasury, personally, and shall not include any delegate of his.

(B) Secretary

The term “Secretary” means the Secretary of the Treasury or his delegate.

The duties of the Secretary of the Treasury are defined in 31 U.S.C. §321:

[TITLE 31 > SUBTITLE I > CHAPTER 3 > SUBCHAPTER II > § 321](#)  
[§ 321. General authority of the Secretary](#)

(a) The Secretary of the Treasury shall—

(1) prepare plans for improving and managing receipts of the United States Government and managing the public debt;

(2) carry out services related to finances that the Secretary is required to perform;

(3) issue warrants for money drawn on the Treasury consistent with appropriations;

(4) mint coins, engrave and print currency and security documents, and refine and assay bullion, and may strike medals;

(5) prescribe regulations that the Secretary considers best calculated to promote the public convenience and security, and to protect the Government and individuals from fraud and loss, that apply to anyone who may—

(A) receive for the Government, Treasury notes, United States notes, or other Government securities; or

(B) be engaged or employed in preparing and issuing those notes or securities;

(6) collect receipts;

(7) with a view to prosecuting persons, take steps to discover fraud and attempted fraud involving receipts and decide on ways to prevent and detect fraud; and

(8) maintain separate accounts of taxes received in each State, territory, and possession of the United States, and collection district, with each account listing—

(A) each kind of tax;

(B) the amount of each tax; and

(C) the money paid as pay and allowances to officers and employees of the Department collecting taxes in that State, territory, possession, or district.

The Secretary of the Treasury is also empowered to write all regulations for the administration of the Internal Revenue Service:

[TITLE 26 > Subtitle F > CHAPTER 80 > Subchapter A > § 7805](#)  
[§ 7805. Rules and regulations](#)

1 (a) Authorization

2 Except where such authority is expressly given by this title to any person other than an officer or employee of the Treasury  
3 Department, the Secretary shall prescribe all needful rules and regulations for the enforcement of this title, including all  
4 rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue.

5 Pursuant to 22 U.S.C. §286, the President is authorized to accept membership for the United States in the International  
6 Monetary Fund ("The Fund"), and in the International Bank For Reconstruction and Development ("The Bank"), provided  
7 for by the "Articles of Agreement of the Fund" and the "Articles of Agreement of the Bank", as set forth in the "Final Act of  
8 the United Nations Monetary and Financial Conference" dated July 22, 1944, which are deposited in the archives of the  
9 Department of State. These Acts are commonly known as the Bretton Woods Agreements. They are international agreements.  
10 The Articles of Agreement assert that those holding public office could do not only what the delegated powers under the  
11 Constitution did not authorize, but what they forbid. In other words, Congress created these two entities and granted them the  
12 capacity to do what they were prohibited from doing directly. The complete debasement of the Constitutional Coin was  
13 effected and accomplished under the International Monetary Fund's (IMF) Articles of Agreement.

14 Pursuant to 22 U.S.C. §286a, the President appoints the alien, corporate "Governor" to oversee the United States membership  
15 in "The Fund" and "The Bank". He is today commonly referred to as the "Secretary of Treasury." This is confirmed by the  
16 IMF Website at:

IMF Members' Quotas and Voting Power, and IMF Board of Governors  
<http://www.imf.org/external/np/sec/memdir/members.aspx>

17 According to 22 U.S.C. §286a, the Governor of the IMF is nominated by the President and is FORBIDDEN from being paid  
18 by the government. That same "Governor" is the statutory "Secretary of the Treasury" indicated above,

19 [TITLE 22 > CHAPTER 7 > SUBCHAPTER XV > § 286a](#)  
20 [§ 286a. Appointments](#)

21 (a) *Governors and executive directors; term of office*

22 *The President, by and with the advice and consent of the Senate, shall appoint a governor of the Fund who shall also*  
23 *serve as a governor of the Bank, and an executive director of the Fund and an executive director of the Bank. The executive*  
24 *directors so appointed shall also serve as provisional executive directors of the Fund and the Bank for the purposes of*  
25 *the respective Articles of Agreement. The term of office for the governor of the Fund and of the Bank shall be five years.*  
26 *The term of office for the executive directors shall be two years, but the executive directors shall remain in office until*  
27 *their successors have been appointed.*

28 (d) *Compensation for services*

29 **(1) No person shall be entitled to receive any salary or other compensation from the United States for services as a**  
30 **Governor, executive director, councillor, alternate, or associate.**

31 *(2) The United States executive director of the Fund shall not be compensated by the Fund at a rate in excess of the rate*  
32 *provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5. The*  
33 *United States alternate executive director of the Fund shall not be compensated by the Fund at a rate in excess of the rate*  
34 *provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5.*

35 *(3) The Secretary of the Treasury shall instruct the United States executive director of the Fund to present to the Fund's*  
36 *Executive Board a comprehensive set of proposals, consistent with maintaining high levels of competence of Fund*  
37 *personnel and consistent with the Articles of Agreement, with the objective of assuring that salaries and other*  
38 *compensation accorded Fund employees do not exceed those received by persons filling similar levels of responsibility*  
39 *within national government service or private industry. The Secretary shall report these proposals together with any*  
40 *measures adopted by the Fund's Executive Board to the Congress prior to February 1, 1979.*

41 Therefore, the Secretary of the Treasury AND the Governor of the IMF:

- 42 1. Does not work for the American People or even the President.
- 43 2. Is not paid by the American people.
- 44 3. Is an agent of a foreign principle if he performs ANY function for the United States Government.
- 45 4. If he in fact is an agent of a foreign principle, then any attempt to enforce any provision he authored against those who  
46 don't consent is an act of international terrorism instituted by a foreign sovereign.



- 1 5. If he also works for the United States government, has criminal financial conflict of interest per 18 U.S.C. §208.
- 2 6. Owes his primary allegiance to the IMF and the Federal Reserve and NOT the American People.
- 3 7. Must register under the Foreign Agents Registration Act, 22 U.S.C. §611.

4 Furthermore, since he is empowered per 26 U.S.C. §7805 to write the regulations that govern the IRS, then the IRS must not  
5 be part of the government since he isn't part of the government.

6 The unconstitutional and unlawful re-delegation of Congress' power to create money under the Federal Reserve Act occurred  
7 in 1913, out of which there was created the end of the "independent treasury" on May 29, 1920, in which the People's money  
8 was transferred from independent treasuries to Federal Reserve banks within their respective districts. This was accomplished  
9 by the General Appropriations Act (May 29, 1920).<sup>19</sup> See:

Independent Treasury System  
<http://www.infoplease.com/ce6/history/A0825091.html>

10 Thereafter the gold was systematically, and criminally, removed and transferred out of the country, eventually causing a "run"  
11 on the banks, and ultimately, the Emergency Banking Relief Act of March 9, 1933, 48 Stat. 1. War and Emergency Powers  
12 had worked in 1862, and again in 1933, to expand unauthorized power beyond Constitutional and statutory limitations and  
13 prohibitions. Like the economic emergency itself, the emergency executive power is still active and available to further the  
14 "systematic scheme".

15 On the subject of the abuse of emergency powers to suspend or circumvent any portion of the United States Constitution, the  
16 American Jurisprudence Legal Encyclopedia says the following:

17 ***"No emergency justifies the violation of any of the provisions of the United States Constitution."***<sup>20</sup> An emergency,  
18 however, while it cannot create power, increase granted power, or remove or diminish the restrictions imposed upon the  
19 power granted or reserved, may allow the exercise of power already in existence, but not exercised except during an  
20 emergency.<sup>21</sup>

21 *The circumstances in which the executive branch may exercise extraordinary powers under the Constitution are very*  
22 *narrow.*<sup>22</sup> *The danger must be immediate and impending, or the necessity urgent for the public service, such as will not*  
23 *admit of delay, and where the action of the civil authority would be too late in providing the means which the occasion*  
24 *calls for.*<sup>23</sup> *For example, there is no basis in the Constitution for the seizure of steel mills during a wartime labor dispute,*  
25 *despite the President's claim that the war effort would be crippled if the mills were shut down.*<sup>24</sup>

---

<sup>19</sup> Under Independent Treasury, 31 U.S.C. §3322, "Historical and Revision notes; In subsection (a), before clause (1), the words 'Secretary of the Treasury' are substituted for 'Treasurer of the United States' because the of the source provisions restated in section 321 (c) of the revised title. . . . The words 'treasurer or' are omitted as obsolete because of the 1st-4th pars. under the heading 'Independent Treasury' in the Act of May 29, 1920 (ch. 214, 41 Stat. 654; also see 31 U.S.C. §3301 Historical Notes.

<sup>20</sup> As to the effect of emergencies on the operation of state constitutions, see § 59.

<sup>21</sup> *Veix v. Sixth Ward Building & Loan Ass'n of Newark*, 310 U.S. 32, 60 S.Ct. 792, 84 L.Ed. 1061 (1940); *Home Bldg. & Loan Ass'n v. Blaisdell*, 290 U.S. 398, 54 S.Ct. 231, 78 L.Ed. 413, 88 A.L.R. 1481 (1934).

The Constitution was adopted in a period of grave emergency and its grants of power to the Federal Government and its limitations of the power of the states were determined in the light of emergency, and are not altered by emergency. *First Trust Co. of Lincoln v. Smith*, 134 Neb. 84, 277 N.W. 762 (1938).

<sup>22</sup> *Halperin v. Kissinger*, 606 F.2d. 1192 (D.C. Cir. 1979), cert. granted, 446 U.S. 951, 100 S.Ct. 2915, 64 L.Ed.2d. 807 (1980) and aff'd in part, cert. dismissed in part, 452 U.S. 713, 101 S.Ct. 3132, 69 L.Ed.2d. 367 (1981), reh'g denied, 453 U.S. 928, 102 S.Ct. 892, 69 L.Ed.2d. 1024 (1981) and on remand to, 542 F.Supp. 829 (D.D.C. 1982) and on remand to, 578 F.Supp. 231 (D.D.C. 1984), aff'd in part, remanded in part, 807 F.2d. 180 (D.C. Cir. 1986), on remand to, 723 F.Supp. 1535 (D.D.C. 1989), related reference, 1991 WL 120167 (D.D.C. 1991), remanded, 1992 WL 394503 (D.C. Cir. 1992).

<sup>23</sup> *Mitchell v. Harmony*, 54 U.S. 115, 13 How. 115, 14 L.Ed. 75 (1851).

<sup>24</sup> *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, 72 S.Ct. 863, 96 L.Ed. 1153, 47 Ohio.Op. 430, 47 Ohio.Op. 460, 62 Ohio.L.Abs. 417, 62 Ohio.L.Abs. 473, 26 A.L.R.2d 1378 (1952).

2 The Supreme Court held in U.S. v. LaSalle, 437 U.S. 298, 308 (1978), that Congress ONLY authorized the Secretary of the  
3 Treasury to administer and enforce the laws related to internal revenue. The Courts have found the Secretary has the power  
4 to create a collection (collection of information and money) agency at Title 26, Section 7805.

5 If you would like to examine the records of the Department of the Treasury, see:

General Records of the Department of the Treasury, National Archives  
<http://www.archives.gov/research/guide-fed-records/groups/056.html>

### 6 **3.3 The IRS Commissioner**

7 The IRS Commissioner is part of the U.S. Treasury by statute:

8 [\*26 U.S. Code §7803 - Commissioner of Internal Revenue: other officials\*](#)

9 (a) *Commissioner of Internal Revenue*

10 (1) *Appointment*

11 (A) *In general*

12 *There shall be in the Department of the Treasury a Commissioner of Internal Revenue who shall be appointed by the*  
13 *President, by and with the advice and consent of the Senate. Such appointment shall be made from individuals who,*  
14 *among other qualifications, have a demonstrated ability in management.*

15 ...

16 (2) *Duties The Commissioner shall have such duties and powers as the Secretary may prescribe, including the power to—*

17 (A) *administer, manage, conduct, direct, and supervise the execution and application of the internal revenue laws or*  
18 *related statutes and tax conventions to which the United States is a party; and*

19 ...

20 (b) *Chief Counsel for the Internal Revenue Service*

21 (1) *Appointment*

22 *There shall be in the Department of the Treasury a Chief Counsel for the Internal Revenue Service who shall be appointed*  
23 *by the President, by and with the consent of the Senate.*

24 (2) *Duties*

25 *The Chief Counsel shall be the chief law officer for the Internal Revenue Service and shall perform such duties as may be*  
26 *prescribed by the Secretary, including the duty—*

27 (A) *to be legal advisor to the Commissioner and the Commissioner's officers and employees;*

28 (B) *to furnish legal opinions for the preparation and review of rulings and memoranda of technical advice;*

29 (C) *to prepare, review, and assist in the preparation of proposed legislation, treaties, regulations, and Executive orders*  
30 *relating to laws which affect the Internal Revenue Service;*

31 (D) *to represent the Commissioner in cases before the Tax Court; and*

32 (E) *to determine which civil actions should be litigated under the laws relating to the Internal Revenue Service and*  
33 *prepare recommendations for the Department of Justice regarding the commencement of such actions.*

1 The IRS Commissioner may appoint or employ whoever he wants, but none of these people are in the “Department of the  
2 Treasury”. Only HE is BY STATUTE:

3 [26 U.S. Code §7804 - Other personnel](#)

4 (a) Appointment and supervision

5 *Unless otherwise prescribed by the Secretary, **the Commissioner of Internal Revenue is authorized to employ such***  
6 ***number of persons as the Commissioner deems proper for the administration and enforcement of the internal revenue***  
7 ***laws,** and the Commissioner shall issue all necessary directions, instructions, orders, and rules applicable to such*  
8 *persons.*

9 (b) Posts of duty of employees in field service or traveling

10 *Unless otherwise prescribed by the Secretary—*

11 (1) Designation of post of duty

12 *The Commissioner shall determine and designate the posts of duty of all such persons engaged in field work or traveling*  
13 *on official business outside of the District of Columbia.*

14 (2) Detail of personnel from field service

15 *The Commissioner may order any such person engaged in field work to duty in the District of Columbia, for such periods*  
16 *as the Commissioner may prescribe, and to any designated post of duty outside the District of Columbia upon the*  
17 *completion of such duty.*

### 18 **3.4 Internal Revenue Service**

19 The Department of the Treasury website contains a list of its “bureaus” below:

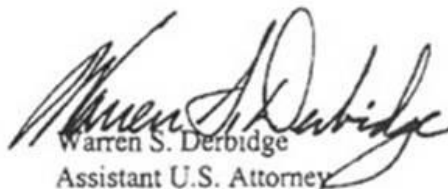
<p><i>Bureaus</i>, Department of the Treasury <a href="https://home.treasury.gov/about/bureaus">https://home.treasury.gov/about/bureaus</a></p>
---

20 **There is also no doubt the IRS is a "bureau" by the admission of the Department of Justice within the Department of the**  
21 **Treasury,** as revealed in legal discovery.

### 22 **Figure 1: Diversified Metals Discovery about IRS**

The Department of Treasury is the agency, Internal Revenue Service is a bureau within Treasury. See also 5 United States Code § 105 which defines the term Executive agency and Hancock v. Egger, 848 F.2d 87 (6<sup>th</sup> Cir. 1988).

Sincerely,



Warren S. Derbidge  
Assistant U.S. Attorney

23

24 [Diversified Metal Company v. T-Bow Company Trust, Internal Revenue Service,  
25 Civ. No. 93-405—E-EJL, United States District Court, Idaho;

26 SOURCE: <http://famguardian.org/Subjects/Taxes/Evidence/USGovDeniesIRS/USGovDeniesIRS.htm>]

1 A lot of folks have been misled about IRS "agency" status by a misunderstanding of events in *Diversified Metal Products,*  
2 *Inc. v. T-Bow Company Trust, et al.*

3 In that case, the Dept. of Justice argued that the IRS is not an "agency of the United States Government". This declaration  
4 has been proclaimed as supporting the absurd notion that the IRS doesn't really exist, or is only a part of the Puerto Rican  
5 bureaucracy, or is merely a private outfit based in Baltimore, or similar nonsense.

6 However, all that was actually meant by that declaration was that within the particular context of this case the IRS did not  
7 qualify as an "agency". This was due to the nature of the issue being litigated and that of the particular statutory authority  
8 being litigated (which contained a common "for purposes of this section" qualifier, along with a custom "agency of the United  
9 States means XXXX" definition).

10 The letter below, which is a response by the Department of Justice to a question by a Nevada attorney about that declaration  
11 in *Diversified*, explains this-- and that in most other statutory contexts the agency DOES qualify as an "agency" and is, in  
12 fact, a bureau of the Department of Treasury.



U.S. Department of Justice

United States Attorney  
District of Idaho

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<i>Mailing Address:</i>	<i>Street Address:</i>	<i>Comm:</i> 208/334-1211
	<i>First Interstate Center</i>	<i>Main Fax:</i> 208/334-9375
<i>P. O. Box 32</i>	<i>877 W. Main, Ste 201</i>	<i>Cv Div Fax:</i> 208/334-1414
<i>Boise, ID 83707</i>	<i>Boise, ID 83702</i>	<i>Cr Div Fax:</i> 208/334-1413
		<i>DTF Div Fax:</i> 208/334-9018

January 12, 2001

M [REDACTED], Esq.  
1830 East Sahara Ave  
Suite 113, Building 1830  
Las Vegas, Nevada 89104-3738

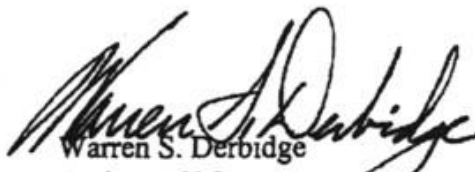
RE: Diversified Metal Products, Inc. v. T-Bow Company Trust, et. al.  
Court No. 93-405 E-EJL;

Dear Mr. [REDACTED]:

I have been asked to respond to your letter to our office of January 5, 2001, concerning language in the government's pleadings which denied an allegation that the Internal Revenue Service is an agency of the United States Government in the above-referenced case. The denial is based upon 26 CFR § 601.101(a) which designates Internal Revenue Service as a bureau of the Department of the Treasury.

The Department of Treasury is the agency, Internal Revenue Service is a bureau within Treasury. See also 5 United States Code § 105 which defines the term Executive agency and Hancock v. Egger, 848 F.2d 87 (6<sup>th</sup> Cir. 1988).

Sincerely,

  
Warren S. Derbidge  
Assistant U.S. Attorney

1

2 As is always true in the law, context dictates meaning:

1 [28 U.S. Code §451 - Definitions](#)

2 *As used in this title*

3 *The term "agency" includes any department, independent establishment, commission, administration, authority, board*  
4 *or bureau of the United States or any corporation in which the United States has a proprietary interest, **unless the context***  
5 ***shows that such term was intended to be used in a more limited sense.** (emphasis added)*

6 That is, an agency is an agency, but if a particular statute has a custom definition of the term "agency" for purposes of its own  
7 special and limited context, not everything which generically IS an agency may qualify as meeting that special, limited-  
8 application definition for purposes of that statute.

9 How credible is the proposition that Congress is incapable of providing the Department of Treasury, or the United States  
10 governmental structure generally, with an accounting and collections agency such as the IRS? After all, that IS what this  
11 ridiculous notion suggests in questioning the existence or status of everyone's least-favorite agency...

12 A Congressman also confirmed these facts in a letter to a constituent:

13 **Figure 2: Congressman Pat Danner Letter about the Internal Revenue Service**



PAT DANNER  
8TH DISTRICT, MISSOURI  
COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE  
SUBCOMMITTEES  
SURFACE TRANSPORTATION  
AVIATION  
COMMITTEE ON INTERNATIONAL  
RELATIONS  
SUBCOMMITTEE  
INTERNATIONAL ECONOMIC POLICY AND TRADE

Exhibit S



Congress of the United States  
House of Representatives  
Washington, DC 20515-2506

September 12, 1996

WASHINGTON OFFICE:  
1223 LINDBERGH BUILDING  
WASHINGTON, DC 20515  
12021 225-7041  
FAX: (202) 225-8221

DISTRICT OFFICES:  
U.S. Post Office, Room 336  
201 South Elm Street  
St. JOSEPH, MO 64501-2240  
18181 733-8818  
FAX: (816) 233-8848

5754 NORTH BROADWAY  
BUILDING 3, SUITE 2  
KANSAS CITY, MO 64119-3998  
19181 455-2258  
FAX: (816) 455-1153

Bill F

Dear Bill:

Thank you for contacting regarding the establishment of the Internal Revenue Service (IRS). I appreciate having the benefit of your thoughts on this issue.

You are quite correct when you state that an organization with the actual name "Internal Revenue Service" was not established by law. Instead, in 1862, Congress approved 26 U.S.C. 7802. This statute established the office of "Commissioner of Internal Revenue." As the act states, "The Commissioner of Internal Revenue shall have such duties and powers as may be prescribed by the Secretary of the Treasury." In modern times these duties and powers flow to the Commissioner who implements appropriate policy through the IRS.

In addition to Section 7802, Section 7803 authorizes the Secretary of Treasury to employ such number of persons deemed proper for the administration and enforcement of the internal revenue laws. It is these employees who comprise the IRS.

I have enclosed the appropriate section of the U.S. Code for your information. I hope you find it helpful.

Thank you again for contacting me. Please feel free to do so again with further questions on this or any other matter important to you.

Best regards,

Pat Danner  
Member of Congress

PD/hhm

### 3.5 Department of Justice

The Department of Justice has an "Attorney General," See Title 28, Sec. 503, who has "functions" including those "of agencies...of the Department of Justice..." See Title 28, Sec. 509. What then are "agencies of the Department of Justice"?

1 In order to answer this question you must first understand the term "**Bureau.**" For example, the letters "FBI" is commonly  
2 known to stand for "Federal Bureau of Investigation" established by Title 28, Sec. 531 "in the Department of Justice." BOP  
3 stand for Bureau of Prisons which actually is the FBOP.

4 For example, under the Federal Tort Claims Act Congress defines a "**Federal Agency**" to "include [the] executive  
5 departments....of the United States." See Title 28, Sec. 2671. **So, if the "Bureau" is in a "Department" then it is an**  
6 **agency of the United States.** There are many other examples that support this explanation.

7 The simple way to understand "**Agency**" is **one that acts or takes action upon the authority of another.** In 2006, Congress  
8 established the "**Bureau of Alcohol, Tobacco, Firearms and explosives**" within the Department of Justice. See Title 28,  
9 Section 599A. Prior to this statutory enactment the SOTT defined "Bureau" at 27 C.F.R. Part 447, Sub Chapter B at Chapter  
10 II "Bureau of Alcohol, Tobacco, Firearms, and Explosives, Department of JUSTICE." In Subpart B in a part Titled  
11 "Definitions" the meaning of terms define "Bureau" as "Bureau of Alcohol, Tobacco, and Firearms, Department of  
12 TREASURY."

13 So, to understand the Department of Justice has a Bureau of ATFE and the Department of Treasury as a Bureau of ATF. The  
14 difference of course is "explosive" and separate statutory existence. However, both are "agencies" of the United States **but**  
15 **one is established by Congress and the Secretary's ATF is an agency created by regulation.**

### 16 **3.6 United States District Court**

17 If you are blessed to read and understand how the power given the Secretary of the Treasury is different than any other  
18 Department or Agency you can then see by "background check" whether the U.S. District Court has "Jurisdiction" to enforce  
19 or adjudge any alleged transgression of laws related to internal revenue. I realize those who deal with matters related to  
20 internal revenue will understand this explanation sooner than most others, but you can be the exception.

21 The Supreme Court held in LaSalle that No U.S. Attorney can pursue prosecution of offenses related to internal revenue (id.  
22 7201, 7201, 7212 or conspiracy under 371) unless he is "authorized" by the Secretary of the Treasury. See 437 U.S. at 312.  
23 This is because Congress placed ALL the laws related to internal revenue in the exclusive hands of the Secretary [Department  
24 of the Treasury] the decision of which laws to enforce. See Section 7801, 7803 and 7805

25 If a U.S. Attorney could do a Grand Jury proceeding related to internal revenue offenses while the Secretary of the Treasury  
26 or his delegate pursues institutional goals of the IRS, the 5th Amendment Grand Jury then becomes under the control of the  
27 United States' IRS which completely violates the reason for a Grand Jury explained in U.S. v. Williams, 504 U.S. 36, 47  
28 (1992). A Grand Jury's purpose is to stand between the Government and people and that cannot happen when either the IRS  
29 becomes the Grand Jury's agency or the Grand Jury becomes an agency of the IRS. Hence, the indict a ham sandwich theory.

30 The Supreme Court calls the "authorization" a "referral" to a local U.S. Attorney. LaSalle, 437 U.S. at 312. The United  
31 States Department of Justice has been aware the only way to have a person lawfully indicted by a 5th Amendment Grand  
32 Jury related to internal revenue laws, including banking laws under Title 31, since before 1978, and for some unknown reason  
33 refuses to obey LaSalle.

34 I guess the reason is that if the IRS had to stop doing a "criminal" investigation at the point a referral to a U.S. Attorney was  
35 lawfully made, the IRS Investigators, as Grand Jury Agents, would lose the sting they possess readily apparent when the  
36 Grand Jury and IRS become one flesh.

37 All the IRS must do is complete their institutional investigation and then if it unearths enough to make a referral the Grand  
38 Jury can hear the evidence. The U.S. Attorney may be able to use a Grand Jury to gather post referral evidence, not already  
39 gathered, in most cases, but not tax cases. In referral cases the "prophylactic rule" prohibits the U.S. Attorney to continue an  
40 IRS investigation of a certain calendar year after referral is more than clear.

41 At the point an IRS Criminal Investigator testifies as to the evidence he learned of before referral he is called a "witness."  
42 The point the Criminal Investigator's name appears on a Grand Jury subpoena he no longer is just a witness but now an agent  
43 of the Grand Jury which is unlawful. Just ask yourself where can a Grand Jury employ a witness who has testified before it  
44 to act on the Grand Jury's behalf?

1 The violations of the 5th Amendment are endless. Wouldn't a witness who testifies against a suspect, truthful or not, have  
2 motive to preserve his version of the facts? How this effects the District Court's Jurisdiction is also endless. A referral ends  
3 the IRS's institutional authority, civil or criminal, given it by the Secretary of the Treasury to enforce any provision of law  
4 related to internal revenue.

5 Look at it this way. The Secretary, by referral, takes his power from the IRS and hands it to the U.S. Attorney who then  
6 presents a case for Grand Jury indictment. Without the authorization from the Secretary of the Treasury, the U.S. Attorney  
7 would have no authority to consider prosecution under Title 28, Section 547(1) on "offenses" related to internal revenue. If  
8 a proper referral is made, no evidence obtained by the IRS through post referral enforcement statutes could ever be used to  
9 obtain an indictment or conviction because it was obtained without legal authority. Remember a subpoena or summons seeks  
10 the evidence by enforcement.

11 If you are being pursued by the Grand Jury and IRS at the same time you are experiencing modern day tyranny. You are also  
12 experiencing violations of your rights to a Grand Jury being properly empanelled, only be prosecuted by referral, and your  
13 rights protected by the Tax laws themselves. If a search warrant was obtained after referral you have a 4th and 5th  
14 Amendment violation. After indictment you should demand to see and have an expert examine the alleged referral to  
15 determine if it really is a referral or the type of made up letter frequently used against those the government wishes to persecute  
16 illegally.

17 The Bright Line establishes what evidence is to be excluded and establishes the District Court's Jurisdiction over the Grand  
18 Jury claims. Remember, without referral lawfully made, the U.S. Attorney has no authority to prosecute, the Grand Jury has  
19 no power to indict, and the District Court has no jurisdiction to enter judgment. Here is a quote from *Kokkonen v. Guardian*  
20 *Life*, 511 U.S. 375, 377, 128 L.Ed.2d. 391 (1994):

21 *"Federal Courts are courts of limited jurisdiction. They possess only that power authorized by Constitution and statutes,*  
22 *See Willy v. Coastal Corp. 503, U.S. 131, 136-37, 117 L.Ed.2d. 280, 112 S.Ct. 1076 (1992), which is not to be explained*  
23 *by Judicial Decree. Fire & Casualty Co. v. Fin, 341 U.S. 6, 95 L.Ed. 702, 71 S.Ct. 534, 19 A.L.R.2d. 738 (1951). It is*  
24 *presumed that a cause lies outside this limited jurisdiction, and the burden of establishing the contrary rests upon the party asserting*  
25 *jurisdiction."*  
26 *[McNutt v. GMAC 298 U.S. 178, 182-83, 80 L.Ed. 1135, 56 S. Ct. 780 (1936)]*

27 Taking all the case citations out of this quote:

28 *"Federal Courts are courts of limited jurisdiction...which cannot be expanded by judicial decree...It is to be presumed that*  
29 *a cause lies outside this limited jurisdiction, and the burden of establishing the contrary rests upon the party asserting*  
30 *jurisdiction."*

31 The Party is the USA when a Grand Jury pursues or issues an indictment. So, when you are faced or know someone who  
32 was or is facing Grand Jury charges derived from laws related to internal revenue, **consider that it is presumed the**  
33 **Government has not complied with the referral requirements and the District Court never had jurisdiction.** If on the  
34 other hand a referral does exist for a specific calendar year, any evidence obtained by the IRS after that date by enforcement  
35 proceedings will most likely be excluded, when claimed, by law, since it was obtained after referral in very bad faith.

36 Just do a background check and you will see for yourself.

### 37 **3.7 Treasury Organization Charts**

38 Several different historical versions of the United States Department of the Treasury Organizational Chart prove that the IRS  
39 has never lawfully been a part of the Department of the Treasury. Not one of these organization charts lists the IRS as being  
40 within the Department of the Treasury. For conclusive proof of this, please see:

*History of Treasury Department Organization, Family Guardian Fellowship*  
<http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm>

### 41 **3.8 When did the "Bureau of Internal Revenue (BIR)" become the "Internal Revenue Service** 42 **(IRS)"?**

43 The answer is 1952, by FIAT and not by any act of Congress:

ANNUAL REPORT  
OF THE  
COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT,  
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,  
*Washington, September 30, 1920.*

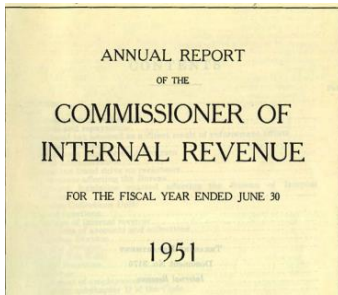
SIR: I have the honor to submit the following report of the work of the Bureau of Internal Revenue for the fiscal year ended June 30, 1920.

The outstanding features of the work of the Bureau during the past year are the organization of the Prohibition Enforcement Unit; the bringing to a plane of higher efficiency the administrative machinery for properly auditing income and excess-profits tax returns; and the extension of service to taxpayers through the establishment of a number of branch offices at accessible centers of population. The National Prohibition Act placed upon the Bureau of Internal Revenue new responsibilities involving many difficult problems of interpretation and administration. The progressive steps taken during the year in the solution of these problems are related in detail in a separate part of this report.

The two years of our participation in the World War were marked by emergency revenue legislation and constituted a period of almost constant reorganization of the administrative machinery of the Internal-Revenue Bureau. The year covered by this report has witnessed the approach of more stable and more nearly normal conditions. Opportunity has been offered to review with some measure of care the vast organization so suddenly and hastily developed, to coordinate and harmonize the many diverse activities incident to the enforcement of the different provisions of the law, and to realize progressively increased efficiency in every branch of the service.

1920 Annual Report showing consistency of name "Bureau of Internal Revenue" until 1952 Report

1  
2



**ANNUAL REPORT**  
OF THE  
**COMMISSIONER OF INTERNAL REVENUE**

TREASURY DEPARTMENT,  
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,  
*Washington, D. C., January 24, 1952.*

The honorable the SECRETARY OF THE TREASURY.

SIR: I have the honor to submit the following report upon the work of the Bureau of Internal Revenue for the fiscal year ended June 30, 1951:

**GENERAL**

The Bureau of Internal Revenue is responsible for the assessment and collection of all taxes imposed by any law providing internal revenue. It also has responsibilities under statutes which, while not imposing taxes, have some relation to internal revenue. These include the Federal Alcohol Administration Act (49 Stat. 977), as amended (27 U. S. C. and Sup. 201-212); the Liquor Enforcement Act of 1936 (49 Stat. 1928, 27 U. S. C. 211-228); and the Federal Firearms Act (52 Stat. 1250, 15 U. S. C. 901-909).

There were 82,624,960 tax returns filed in collectors' offices during the fiscal year 1951, as compared with 89,270,216 returns filed during the previous year. Of the total returns filed, 59,842,254 were income tax returns and declarations, as compared with 59,223,230 filed during the previous year.

**INTERNAL REVENUE COLLECTIONS**

The following table shows the collections by general sources of revenue for 1951 as compared with 1950:

*Summary of internal revenue collections, fiscal years 1950 and 1951*

General source	Fiscal year	Increase or decrease (-)

Letter Dated January 24, 1952

For year ending June 30, 1951

<https://www.irs.gov/pub/irs-soi/51dbfullar.pdf>

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2



ANNUAL REPORT  
OF THE  
COMMISSIONER OF  
INTERNAL REVENUE

FOR THE FISCAL YEAR ENDED JUNE 30

1952

LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,  
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,  
Washington, D. C., January 16, 1953.

The honorable the SECRETARY OF THE TREASURY.

SIR: I have the honor to present to you the "Annual Report of the Commissioner of Internal Revenue for the Fiscal Year 1952," which describes the activities and indicates the progress of the Internal Revenue Service for the past year.

Your attention is invited to the form of this report, which departs from that of previous years. The difference in the form of presentation is the result of reporting the operations on a functional instead of an organizational basis. The main purpose of this new presentation is to facilitate appraisal, on a program-by-program basis, of the accomplishments of the Internal Revenue Service.

Reorganization Plan No. 1 of 1952, providing for the complete overhauling of the organization, policies, and procedures in Federal tax administration, will make the 1952 fiscal year one of the most notable in the 90-year history of the Internal Revenue Service. This report describes this reorganization.

Without your vision and guidance, I do not believe that so adequate and complete a reorganization of Federal tax administration could have been accomplished. Your firm leadership toward an improved tax administration, based on a broad understanding of the Treasury's and Nation's needs in this field, has secured for the American people a sound organization of Federal tax administration. I am happy to report that the officers and employees of the Internal Revenue Service have wholeheartedly and enthusiastically responded to your direction and leadership. I know they can be depended upon to continue to raise the quality and dependability of the tax service rendered to the American taxpayer.

JOHN S. GRAHAM,  
*Acting Commissioner of Internal Revenue.*

HON. JOHN W. SNYDER,  
*Secretary of the Treasury.*

III

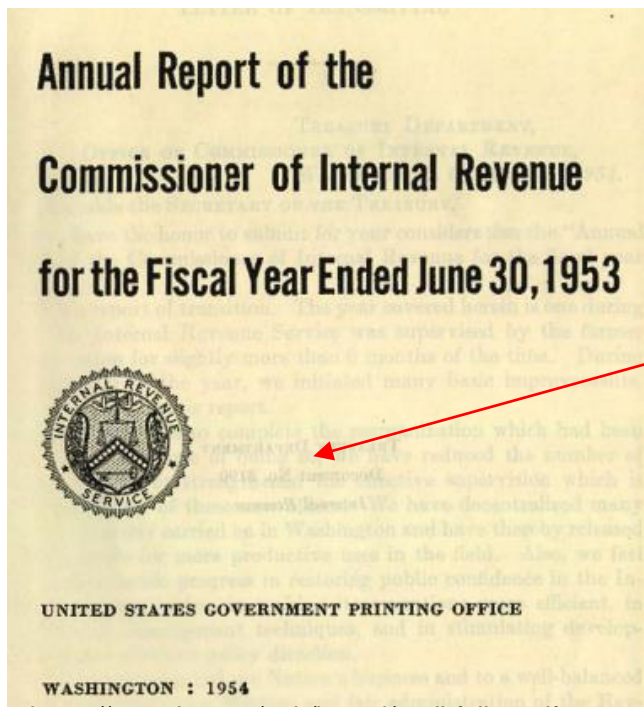
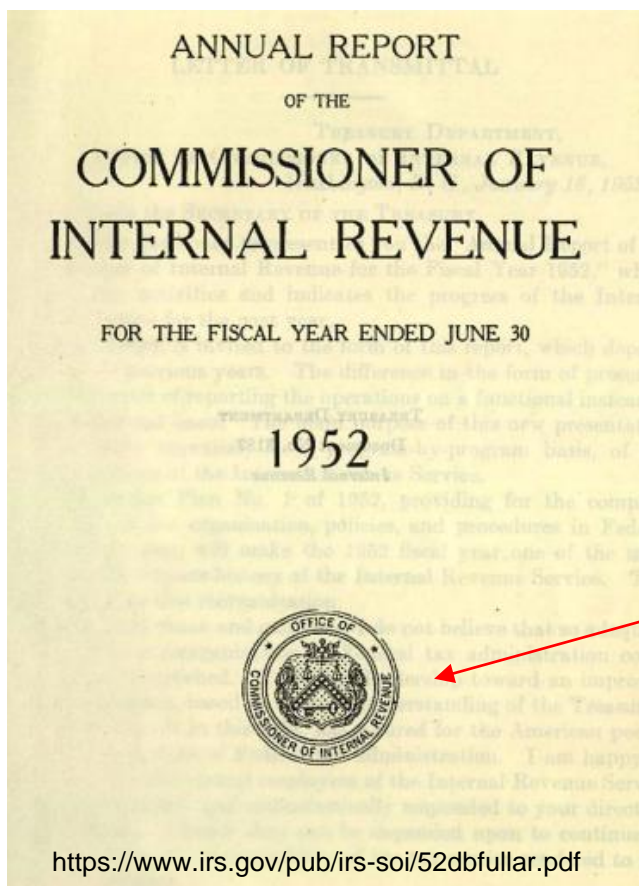
Letter Dated January 16, 1953  
For year ending June 30<sup>th</sup>, 1952

<https://www.irs.gov/pub/irs-soi/52dbfullar.pdf>

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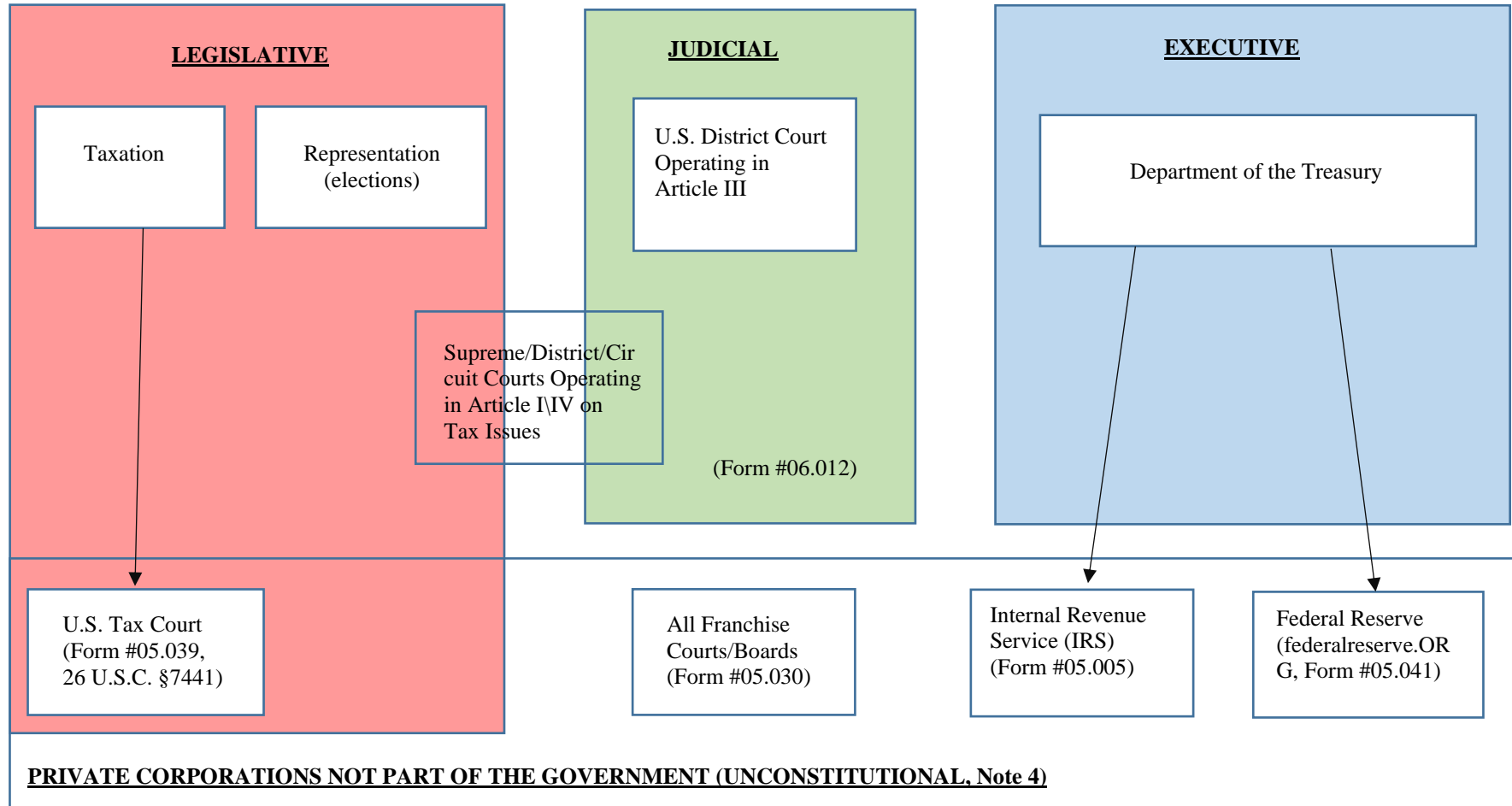
SEAL CHANGE:

OFFICE OF COMMISSIONER OF INTERNAL REVENUE...TO...INTERNAL REVENUE SERVICE



1 **3.9 Organization Chart of Tax Assessment and Collection**

2



**NOTES:**

1. Arrows represent a delegation of specific authority.
2. It is a violation of the separation of powers when any of the branches overlap. See Form #05.023.
3. It is a violation of the Constitution for public servants to delegate their powers to private corporations. See Form #05.043.
4. The Constitution does NOT authorize the creation of corporations, franchise courts, or franchises. Therefore, these functions can only operate WITHIN the government but not on private people.

## 4. Brief History of the IRS

The Office of the Commissioner of Internal Revenue was established by an act of Congress (12 Stat 432) on July 1, 1862, and the first Commissioner of Internal Revenue took office on July 17, 1862. The act of July 1 provided:

“\* \* \*That for the purpose of superintending the collection of internal duties, stamp duties, licenses, or taxes imposed by this Act, or which may be hereafter imposed, and of assuming the same, an office is hereby created in the Treasury Department to be called the Office of the Commissioner of the Internal Revenue;\* \* \*Commissioner of Internal Revenue. \* \* \* shall be charged, and hereby is charged, under the direction of the Secretary of the Treasury, with preparing all the instructions, regulations, directions, forms, blanks, stamps, and licenses, and distributing the same or any part therefor, and all other matters pertaining to the assessment and collection of the duties, stamp duties, licenses, and taxes, which may be necessary to carry this Act into effect, and with the general superintendance of his office as aforesaid, and shall have authority, and hereby is authorized and required, to provide proper and sufficient stamps or dies for expressing and denoting the several stamp duties, or the amount thereof in the case of percentage duties, imposed by this Act, and to alter and renew or replace such stamps from time to time, as occasion shall require; \* \* \*”

You can verify and read the above at:

[Historical Federal Income Tax Acts](http://famguardian.org/PublishedAuthors/Govt/HistoricalActs/HistFedIncTaxActs.htm)

<http://famguardian.org/PublishedAuthors/Govt/HistoricalActs/HistFedIncTaxActs.htm>

In the same 1862 legislation that created the original Commissioner of Internal Revenue, Congress created the offices of Assessor and Collector. The office of the Assessor was eliminated after the Civil War in 1872 (for proof see 17 Statutes at Large 401, 42<sup>nd</sup> Congress, Session III Chapter XIII (December 24, 1872)). The Collector Office was eliminated in 1952 (see Notes under 26 U.S.C. §7804), leaving the income tax as entirely voluntary beyond that point. Contrary to IRS claims, Congress never intended to create a Bureau of Internal Revenue even though something resembling that term appeared in an early appropriations bill or two. The two key offices continued in full force and effect until President Harry Truman unilaterally abolished them via Reorganization Plan No. 26 of 1950 and Reorganization Plan No. 2 of 1952. The Bureau of Internal Revenue was subsequently renamed to the Internal Revenue Service in July 9, 1953 by Treasury Secretary under Delegation Order 150-06, which you can read for yourself at:

Delegation Order No. 150-06

<http://www.ustreas.gov/regs/to150-06.htm>

As part of Truman’s reorganization plan, the Bureau of Internal Revenue was put in charge of administering internal revenue laws of the United States; this is the same entity President Franklin Roosevelt put in charge of administering the Federal Alcohol Administration Act via Reorganization Plan No. 3 of 1940. The Roosevelt change was made after the Supreme Court pulled the teeth of the Prohibition Act of 1926 and the Federal Alcohol Administration Act in December 1935 by declaring that with repeal of the Eighteenth Amendment in December 1933, federal concurrent jurisdiction within States of the Union to enforce prohibition laws had also been repealed. Administration of the Federal Alcohol Administration Act was subsequently moved to insular possessions in 1940 and administration of the Internal Revenue Code was likewise moved to insular possessions in 1954. For enlightenment on the subject, read definitions at 27 C.F.R. §26.11. The Bureau of Alcohol, Tobacco and Firearms was segregated from the Internal Revenue Service in approximately 1970 – they spring from common origins.

If you would like a more complete history of the IRS written by itself, see:

1. [Taxation Page](https://famguardian.org/Subjects/Taxes/taxes.htm#IRS_INTELLIGENCE_AND_INFORMATION), Section 14: IRS Intelligence and Information, Family Guardian Fellowship  
[https://famguardian.org/Subjects/Taxes/taxes.htm#IRS\\_INTELLIGENCE\\_AND\\_INFORMATION](https://famguardian.org/Subjects/Taxes/taxes.htm#IRS_INTELLIGENCE_AND_INFORMATION)
2. [The Work and Jurisdiction of the Bureau of Internal Revenue, 1948-](https://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf)(10.9Mbytes, LARGE) this very thorough report published by the U.S. government Printing Office is a MUST HAVE for your tax library. Written under the direction of the Commissioner, Internal Revenue  
<https://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf>
3. [IRS Historical Fact Book: A Chronology](https://famguardian.org/Publications/IRSHistoricalFactbook/IRS-HistoricalFactBook_1992.pdf), IRS  
[https://famguardian.org/Publications/IRSHistoricalFactbook/IRS-HistoricalFactBook\\_1992.pdf](https://famguardian.org/Publications/IRSHistoricalFactbook/IRS-HistoricalFactBook_1992.pdf)



## 5. Statutory evidence

### 5.1 U.S. Code Title 31: IRS Is not Part of the Dept of the Treasury

Through research and analysis of Title 31 of the United States Code (U.S.C.) enacted by Congress, and the statutes used for codification of Title 31, Sections 301-310 inclusive we find that Congress organized the Department of the Treasury as follows:

1. 301(a) – Congress created the Department of the Treasury as an executive department of the U.S. Government at the seat of Government (Washington, DC);
2. 301(b) – Congress provided for appointment of a Department head by the President by and with the advice and consent of the Senate to be known as the Secretary of the Treasury;
3. 301(c) – Congress provided for the position of a Deputy Secretary and at 301(c)(1) -whose duties are prescribed by the Secretary, 301(c)(2) – who is to act for the Secretary when the Secretary is absent, unable, and during office vacancy of the post;
4. 301(d) – Congress created positions for 2 Under Secretaries, 2 Deputy Secretaries and a Treasurer of the United States appointed in the same manner as 301(b) with duties as those prescribed by 301(c)(1), and other personnel;
5. 301(e) - Congress created positions for 8 Assistant Secretaries in addition to those in subsection (d) appointed in the same manner as 301(b) with duties as those of 301(c)(1);
6. 301(f)(1) – Congress provided for appointment of a General Council by the President in the same manner as 301(b), who is to be the chief law officer of the Department and provides for the Secretary to appoint not more than 5 Assistant General Councils with authority to designate one of the Assistant General Councils as the General Council when the General Council is absent or unable to serve or when the office of General Council is vacant (*see note below concerning this section*);
7. 301(f)(2) - Congress created a position for an Assistant General Council appointed by the President in the same manner as 301(b) who shall be Chief Counsel for the Internal Revenue Service as chief law enforcement officer who shall carry out duties and powers prescribed by the Secretary (*see note below concerning this section*);
8. 301(g) - Congress provides that the Department shall have a seal;
9. 302 - Congress created the Department of the Treasury of the United States Government as a Department;
10. 303(a) - Congress created the Bureau of Engraving and Printing as a Bureau in the Department of the Treasury and in 303(b) - a position for a Director known as the Director of the Bureau of Engraving and Printing who is to be appointed by the Secretary of the Treasury, and as such Director at 301(b)(1) - shall carry out the duties and powers as prescribed by the Secretary, and 301(b)(2) - who shall report directly to the Secretary;
11. 304(a) - Congress created the United States Mint as a bureau in the Department of the Treasury and 304(b) - a Director of the Mint is appointed by the President in the same manner as 301(b)(1) who is to be the head of the Mint for a term of 5 years, and upon removal from office the President shall send a message to the Senate giving reasons for such removal, and 304(b)(2) - the Director shall carry out the duties and powers as prescribed by Secretary;
12. 305 - Congress directed that supervision and direction by the Secretary of the Treasury shall be over the Federal Financing Bank established under section 4 of the Federal Financing Bank Act of 1973 (12 U.S.C. §2283);
13. 306(a) - Congress created the Fiscal Service as a service in the Department of the Treasury and 306(b) - Congress created the position of Fiscal Assistant Secretary as head of the Fiscal Service appointed under section 301(d) of this title, 306(c)(1) - Congress created the Bureau of Government Financial Operations within the Fiscal Service and provided for the position of Commission of Government Financial Operations as the head of the bureau and created at 306(c)(2) - the Bureau of Public Debt with the position of Commissioner as the head of the bureau, and at 306(d) - Congress enabled the Secretary of the Treasury to designate another officer or employee of the Department to act as the Fiscal Assistant Secretary when he/she is absent or unable to serve or when the office is vacant;
14. 307 - Congress inserted the Office of the Comptroller of the Currency established under section 324 of the Revised Statutes (12 U.S.C. §1) as an office in the Department of the Treasury;
15. 308 - Congress inserted the United States Customs Service established under section 1 of the act of March 3, 1927 (19 U.S.C. §2071) as a service in the Department of the Treasury;
16. 309 - Congress inserted the Office of Thrift Supervision established under section 3(a) of the Homeowner’s Loan Act as an office in the Department of the Treasury;
17. 310(a) – Congress inserted the Financial Crimes Enforcement Network established by order of the Secretary of the Treasury (Treasury Order No. 150-08, referred to “FinCEN”) on April 25, 1990, as a bureau in the Department of the Treasury and creates the position of Director as head of the FinCEN bureau by appointment of the Secretary of the Treasury at 310(b)(1) with enumerated duties and powers of the Director at 310(b)(2) and other performance outlines throughout the remainder of subsection (c) and appropriations at subsection (d).



1 An examination of the above and the entire Title 31 of the U.S. Code reveal that Congress did **NOT** through any enactment:

- 2 1. Create the “Internal Revenue Service (IRS)” as an “agency,” “bureau,” “office,” or “service” within the Department of
- 3 the Treasury.
- 4 2. Create the predecessor to the IRS, which is the “Bureau of Internal Revenue (BIR)” as an “agency,” “bureau,” “office,”
- 5 or “service” within the Department of the Treasury.
- 6 3. *Insert* the Internal Revenue Service as an “agency,” “bureau,” “office,” or “service” in the Department of the Treasury
- 7 with reference to its establishment from any Treasury Order (or otherwise) as it did with FinCEN in section 310(a).

8 The “only” mention of the IRS anywhere in 301-310 is at **301(f)(2)** (see above) and the mention therein by Congress did **not**

9 create any office of the IRS within the Government of the United States.

**NOTE:** It must be outlined here that the US Code **sources** for revised section 301(f)(1) as listed under Title 31 > Subtitle I > Chapter 3 > Subchapter I > §301 are:

“26:7801(b)(1), (2)(last sentence).”, (3)” with the Statutes at Large **source** listed as “Aug. 16, 1954, ch. 736, § 7801(b), 68A Stat. 915; restated Sept. 22, 1959, Pub. L. 86–368, §1, 73 Stat. 647; Aug. 14, 1964, Pub. L. 88–426, §305(39), 78 Stat. 427; Oct. 4, 1976, Pub. L. 94–455, §1906(b)(13)(B), 90 Stat. 1834”, and

“31:1009” with the Statutes at Large **source** listed as “May 10, 1934, ch. 277, § 512(a), (c), 48 Stat. 758, 759.”;  
[SOURCE: [http://www.law.cornell.edu/uscode/html/uscode31/usc\\_sec\\_31\\_00000301----000-notes.html](http://www.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00000301----000-notes.html)]

and the **source** for revised section **301(f)(2)** as listed under Title 31 > Subtitle I > Chapter 3 > Subchapter I > §301 is:

“26:7801(b)(2)(1st, 2nd sentences).” with **no** Statutes at Large **sources** listed;  
[SOURCE: [http://www.law.cornell.edu/uscode/html/uscode31/usc\\_sec\\_31\\_00000301----000-notes.html](http://www.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00000301----000-notes.html)]

Congress repealed section 26:7801(b) with “Pub. L. 97-258, Sec. 5(b), Sept. 13, 1982, 96 Stat. 1068, 1078.”)

10 In fact, throughout Titles 5 and 31, the IRS is mentioned in the following statutes:

- 11 1. Title 5:
  - 12 1.1. 5 U.S.C. §500(c)
  - 13 1.2. 5 U.S.C. §9508(a)
  - 14 1.3. 5 U.S.C. §9509(b)(1)(A)
  - 15 1.4. 5 U.S.C. §9509(b)(2)
  - 16 1.5. 5 U.S.C. §9509(c)
  - 17 1.6. 5 U.S.C. §9510(a)(1)
  - 18 1.7. 5 U.S.C. §9510(b)(1)
  - 19 1.8. 5 U.S.C. §9510(c)
  - 20 1.9. 5 U.S.C. §9510(d)
  - 21 1.10. 5 U.S.C. §9510(e)(2)
- 22 2. Title 31:
  - 23 2.1. 31 U.S.C. §301(f)(2)
  - 24 2.2. 31 U.S.C. §330(c)(1)
  - 25 2.3. 31 U.S.C. §713(a)

26 Yet with what has been provided in this Review with regards to what Congress **did** create in Title 31, Sections 301-310,

27 federal courts are erroneously ruling on this very issue of the IRS being an agency within the Department of the Treasury by

28 falsely citing Title 31, Section 301(a), which is where Congress created **ONLY** the Department of the Treasury with the full

29 and complete context of section 301(a) is as follows for reiteration:

30 “The Department of the Treasury is an executive department of the United States Government at the seat of the

31 Government.”

32 The federal courts are also using 26 U.S.C. §7801 - “Authority of the Department of the Treasury” at (a)(1) in their attempts

33 to B.S. the American People into believing that Congress created the IRS when §7801(a) says no such thing as follows:

1 "Except as otherwise expressly provided by law, the administration and enforcement of this title shall be performed by  
2 or under the supervision of the Secretary of the Treasury."

3 Anyone with eyes and a brain can plainly see and deduce that the IRS is not even mentioned by Congress in either 31 U.S.C.  
4 §301(a) or 26 U.S.C. §7801(a) even though federal courts fraudulently claim it is, and section 7801(a)(1) is the IRC itself. Any  
5 notion by the Courts that the Code *itself* created the IRS as an agency within or under the Department of the Treasury is not  
6 only absurd, but is considered willful criminal deception and outrageous miscarriages of justice!

## 7 **5.2 Fair Debt Collection Practices Act (FDCPA)**

8 The Fair Debt Collection Practices Act (FDCP) confirms that the IRS is **not** part of the U.S. Government. Congress, has seen  
9 fit to include the IRS as a "debt collector"<sup>25</sup>, defined at 15 U.S.C. §1692a(6) of the Fair Debt Collection Practices Act (FDCPA  
10 as amended by P.L. 104-208, 110 Stat. 3009, Sept. 30, 1996).

11 The FDCPA, however, does **not** encompass "any officer or employee of the United States" if collecting debts "is in the  
12 performance of his official duties." (Quoting 15 U.S.C. §1692a(6)(C)).

13 [TITLE 15 > CHAPTER 41 > SUBCHAPTER V > § 1692a](#)  
14 [§ 1692a. Definitions](#)

15 (6) The term "debt collector" means any person who uses any instrumentality of interstate commerce or the mails in any  
16 business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect,  
17 directly or indirectly, debts owed or due or asserted to be owed or due another. Notwithstanding the exclusion provided  
18 by clause (F) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his  
19 own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to  
20 collect such debts. For the purpose of section 1692f (6) of this title, such term also includes any person who uses any  
21 instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of  
22 security interests. The term does not include—

23 [ . . . ]

24 (C) any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt  
25 is in the performance of his official duties;

26 So, why then, did Congress include the IRS within the class of debt collectors covered under the FDCPA for unscrupulous  
27 and illegal debt collection practices? Because it is **NOT** a lawful Washington, D.C.-based agency of the United States  
28 Government!

29 To make things even worse, the U.S. Supreme Court has repeatedly held that "taxes" as legally defined are NOT "debts". To  
30 wit:

31 *In his work on the Constitution, the late Mr. Justice Story whose praise as a jurist is in all civilized lands, speaking of the*  
32 *clause in the Constitution giving to Congress the power to lay and collect taxes, says of the theory which would limit the*  
33 *power to the object of paying the debts that, thus limited, it would be only a power to provide for the payment of debts*  
34 *then existing. [Footnote 4] **And certainly if a narrow and limited interpretation would thus restrict the word "debts" in***  
35 *the Constitution, the same sort of interpretation would in like manner restrict the same word in the act. Such an*  
36 *interpretation needs only to be mentioned to be rejected. We refer to it only to show that a right construction must be*  
37 *sought through larger and less technical views. We may, then, safely decline either to limit the word "debts" to existing*  
38 *dues, or to extend its meaning so as to embrace all dues of whatever origin and description.*

39 ***What, then, is its true sense? The most obvious, and, as it seems to us, the most rational answer to this question is that***  
40 ***Congress must have had in contemplation debts originating in contract or demands carried into judgment, and only***  
41 ***debts of this character.** This is the commonest and most natural use of the word. Some strain is felt upon the understanding*

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25 See section 1102(d)(1)(G) of the IRS Restructuring and Reform Act of 1998 (PRA 98), P.L. No. 105-206, Sec. 1102, 112 Stat. 685, 697 (July 22, 1998). See also IR Code §6304 – 'Fair tax collection practices' provides prohibitions against harassment & abuse by the IRS in collection of taxes and cites §7433 – 'Civil damages for certain unauthorized collection actions' up to \$1,000,000; and U.S. Treasury report found at <http://www.treas.gov/tigta/auditreports/2003reports/200310138fr.html> report on IRS violations of the FDCPA.

1 when an attempt is made to extend it so as to include taxes imposed by legislative authority, and there should be no such  
2 strain in the interpretation of a law like this.

3 **We are the more ready to adopt this view because the greatest of English elementary writers upon law, when treating**  
4 **of debts in their various descriptions, gives no hint that taxes come within either, [Footnote 5] while American state**  
5 **courts of the highest authority have refused to treat liabilities for taxes as debts in the ordinary sense of that word, for**  
6 **which actions of debt may be maintained.**

7 The first of these cases was that of Pierce v. City of Boston, [Footnote 6] 1842, in which the defendant attempted to set  
8 off against a demand of the plaintiff certain taxes due to the city. The statute allowed mutual debts to be set off, but the  
9 court disallowed the right to set off taxes. This case went, indeed, upon the construction of the statute of Massachusetts,  
10 and did not turn on the precise point before us, but the language of the court shows that taxes were not regarded as debts  
11 within the common understanding of the word.

12 The second case was that of Shaw v. Pickett, [Footnote 7] in which the Supreme Court of Vermont said,

13 **"The assessment of taxes does not create a debt that can be enforced by suit, or upon which a promise to pay interest**  
14 **can be implied. It is a proceeding in invitum."**

15 The next case was that of the City of Camden v. Allen, [Footnote 8] 1857. That was an action of debt brought to recover  
16 a tax by the municipality to which it was due. The language of the Supreme Court of New Jersey was still more explicit:  
17 **"A tax, in its essential characteristics," said the court, "is not a debt nor in the nature of a debt. A tax is an impost**  
18 **levied by authority of government upon its citizens or subjects for the support of the state. It is not founded on contract**  
19 **or agreement. It operates in invitum. A debt is a sum of money due by certain and express agreement. It originates in**  
20 **and is founded upon contracts express or implied."**

21 These decisions were all made before the acts of 1862 were passed, and they may have had some influence upon the  
22 choice of the words used. Be this as it may, we all think that the interpretation which they sanction is well warranted.

23 We cannot attribute to the legislature an intent to include taxes under the term debts without something more than appears  
24 in the acts to show that intention.

25 The Supreme Court of California, in 1862, had the construction of these acts under consideration in the case of Perry v.  
26 Washburn. [Footnote 9] The decisions which we have cited were referred to by Chief Justice Field, now holding a seat  
27 on this bench, and the very question we are now considering, "What did Congress intend by the act?" was answered in  
28 these words:

29 "Upon this question, we are clear that it only intended by the terms debts, public and private, such obligations for the  
30 payment of money as are founded upon contract."

31 In whatever light, therefore, we consider this question, whether in the light of the conflict between the legislation of  
32 Congress and the taxing power of the states, to which the interpretation, insisted on in behalf of the County of Lane, would  
33 give occasion, or in the light of the language of the acts themselves, or in the light of the decisions to which we have  
34 referred, we find ourselves brought to the same conclusion, that the clause making the United States notes a legal tender  
35 for debts has no reference to taxes imposed by state authority, but relates only to debts in the ordinary sense of the word,  
36 arising out of simple contracts or contracts by speciality, which include judgments and recognizances. [Footnote 10]

37 Whether the word "debts," as used in the act, includes obligations expressly made payable or adjudged to be paid in coin  
38 has been argued in another case. We express at present, no opinion on that question. [Footnote 11]

39 [Lane County v. Oregon, 74 U.S. 7 Wall. 71 71 (1868)]

40 If "taxes" as legally defined are not "debts", then by what authority at all can a liability be imputed or enforced by the IRS to  
41 those who are alleged to be liable to pay them but who refuse to assess themselves with a liability? Only two answers to that  
42 question are realistically possible:

- 43 1. Either what the IRS collects is NOT a "tax" as legally defined above and instead is a public officer kickback disguised  
44 to LOOK like a lawful constitutional tax OR
- 45 2. The whole this is a fraud and your public dis-servants have been lying to you all these years because they love YOUR  
46 money more than they love truth or justice.

### 5.3 1939 Internal Revenue Code

The 1939 Internal Revenue Code is the basis for the current Internal Revenue Code. All laws prior to that relating to federal taxation were repealed by the Revenue Act of 1939. For proof of this fact, see 53 Stat. 1. Below is what it says about Revenue Agents in the 1939 Code, in section 4000, 53 Stat. 489:

53 Stat. 489  
Revenue Act of 1939, 53 Stat. 489  
Chapter 43: Internal Revenue Agents  
Section 4000 Appointment

*The Commissioner may, whenever in his judgment the necessities of the service so require, employ competent agents, who shall be known and designated as internal revenue agents, and, except as provided for in this title, no general or special agent or inspector of the Treasury Department in connection with internal revenue, by whatever designation he may be known, shall be appointed, commissioned, or employed.*

“Competent agents”? What a joke! If they were “competent”, then they would:

1. Know and follow the law and be fired if they didn’t.
2. Work as an “employee” for a specific Congressman in the House of Representatives who was personally accountable for their actions. “Taxation and representation” must coincide to preserve the original intent of the Constitution.

You can read the above statute yourself on the Family Guardian Website at:

<http://famguardian.org/CDs/LawCD/Federal/RevenueActs/Revenue%20Act%20of%201939.pdf>

If “Revenue Agents” are not “appointed, commissioned, or employed”, then what exactly are they? I’ll tell you what they are: They are independent consultants who operate on commission. They get a commission from the property they steal from the American People, and their stolen “loot” comes from the Department of Agriculture. See the following response to a Freedom of Information Act request proving that IRS agents are paid by the Department of Agriculture:

<http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/USDAPaysIRS.pdf>

Why would the Congress NOT want to make Revenue Agents “appointed, commissioned, or employed”? Well, if they are effectively STEALING property from the American People and if they are not connected in any way with the federal government directly, have no statutory authority to exist under Title 26, and are not “employees”, then the President of the United States and all of his appointees in the Executive Branch cannot then be held personally liable for the acts and abuses of these thieves. What politician in his right mind would want to jeopardize his career by being held accountable for a mafia extortion ring whose only job is to steal money from people absent any legal authority?

### 5.4 Freedom of Information Act and Administrative Procedures Act

Congress did **NOT** intend for the IRS to be an “agency” of the United States Government as that term is legally defined in the Freedom of Information Act<sup>26</sup> or in the Administrative Procedures Act (APA<sup>27</sup>). If such were the case, Congress would have made it an “agency” as it did with each and every service, bureau, agency & office within Title 31 U.S.C., §§301-310.. **Congress excluded the IRS as an entity with any jurisdictional authority within the Department of the Treasury of the United States Government**, as is the case with the governments of territories and possessions of the United States. See footnote 26.

<sup>26</sup> See 5 U.S.C. §552(f)(1) for definition of “agency” referencing 5 U.S.C. §551(1) for the term “agency” as used therein. Also, 551(1)(C), specifically announces that the definition of “agency” **does NOT include “the governments of the territories or possessions of the United States”**. (Emphasis added)

<sup>27</sup> See 5 U.S.C. §500(a)(1): “agency” has the meaning given it by section 551 of this title.” See also 31 U.S.C. §3901(a)(1) defining “agency” as found in 551(1) of title 5 U.S.C., 31 U.S.C. §720(a). See 18 U.S.C. §6 also.

1 Congress even further acknowledged this in the Internal Revenue Code with the definition of “Federal Agency”, by  
2 referencing the Freedom of Information Act’s definition therein.<sup>28</sup> Thus, the IRC as written by Congress confirms [i]ts intent  
3 to **exclude** the IRS as a federal agency within the Department of the Treasury.

## 4 **5.5 Legal Definition of “Revenue Agent”**

5 The only definition of “Revenue Agent” found anywhere in the U.S. Code or its implementing regulations confirms that IRS  
6 “Revenue Agents” may only operate in territories of the United States:

7 [27 C.F.R. §26.11: Meaning of terms](#)

8 Revenue Agent. *Any duly authorized Commonwealth Internal Revenue Agent of the Department of the Treasury of Puerto*  
9 *Rico.*

## 10 **6. Relationship of IRS to BATF**

11 We have located the actual document which established the Bureau of Alcohol, Tobacco and Firearms, Treasury Order 120-  
12 01, (a renumbering of D.O.T. Order 221) which is entitled "Establishment of the Bureau of Alcohol, Tobacco and Firearms".  
13 Treasury Order 120-01 cites various functions and provisions of law which have been delegated to the BATF. In paragraph  
14 #2, section b, Treasury Order 120-01 states that Chapters 61 through 80, inclusive, of the Internal Revenue Code are delegated  
15 to BATF "*insofar as they relate to the activities administered and enforced with respect to Chapters 51, 52 and 53;*"

16 Chapters 61 through 80, also known as Subtitle F, of the Code, contain all of the "Procedures and Administration" statutes  
17 for filing returns, assessment, collection, interest, penalties, crimes, other offenses and forfeitures, and liability and  
18 enforcement of tax. Some of the sections found in Chapters 61 through 80 of Title 26, the Internal Revenue Code, sections  
19 which many people would recognize, are the following:

- 20 1. § 6001 ("Notice or regulations requiring records, statements and special returns");
- 21 2. § 6011 ("General requirement of return, statement or list"
- 22 3. § 6012 ("Persons required to make returns of income" (a, b and c are all cited in the "IRS" Form 1040 Instruction booklet  
23 as the government's authority to ask for information.)
- 24 4. § 6321 ("Lien for taxes")
- 25 5. § 6331 ("Levy and distraint")
- 26 6. § 7201 ("Attempt to evade or defeat tax")
- 27 7. § 7203 ("Willful failure to file return, supply information, or pay tax")
- 28 8. § 7321 ("Authority to seize property subject to forfeiture") (For more on this section, and how it appears only relevant  
29 to BATF, see below.)

30 It is true that Chapters 51, 52 and 53 are entitled respectively "Distilled Spirits, Wines, and Beer", "Cigars, Cigarettes,  
31 Smokeless Tobacco, Pipe Tobacco, and Cigarette Papers and Tubes", and "Machine Guns, Destructive Devices, and Certain  
32 Other Firearms" - ie., Alcohol, Tobacco and Firearms - which would seem to limit the authority of BATF relevant to Subtitle  
33 F to alcohol, tobacco and firearms related "Procedures and Administration". However, we cannot find anywhere a statute or  
34 regulation or any other document which delegates Chapters 61 through 80 of the Code to "Internal Revenue Service". And  
35 since "the functions" of "IRS" were transferred to BATF by D.O.T. Order 221 upon BATF's creation in 1972, then it seems  
36 clear that all of the above-cited Procedures and Administration "functions" are under the jurisdiction of BATF alone.

37 Furthermore, we have found that the only Privacy Act Systems of Records ("SOR") which claims Chapters 61 through 80 of  
38 the Code as its authority to maintain records on anyone is Treasury/ATF .003, entitled "Criminal Investigation Report System  
39 - Treasury/ATF", which is maintained by BATF, not "IRS". SOR Treasury/ATF .003 covers such categories of individuals  
40 as:

41 *"(1) Criminal offenders or alleged criminal offenders acting alone or in concert with other individuals and suspects who*  
42 *have been or are under investigation for a violation or suspected violation of laws enforced by the Bureau." (2) Criminal*

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<sup>28</sup> See 26 U.S.C. §6103(b)(9) defining “Federal agency” as follows: “**The term “Federal agency” means an agency within the meaning of section 551(1) of title 5, United States Code.**”



1 *offenders or alleged criminal offenders acting alone or in concert with individuals who have been referred to the Bureau*  
2 *of Alcohol, Tobacco and Firearms by other law enforcement agencies, governmental units and the general public. (3)*  
3 *Informants. (4) Persons who come to the attention of the Bureau in the conduct of criminal investigations...."*

4 "IRS" maintains no SOR whatsoever which specifically claims Chapters 61 through 80 of the Code as its authority for  
5 maintaining records, and which maintains such specific records on suspected, alleged or actual criminals. What seems to us  
6 to be true is that all crimes which are committed relevant to Chapters 61 through 80 of the Code appear to actually be a  
7 violation of BATF laws, and not "IRS" laws. See:

SEDM Exhibit #10.001, Internal Revenue Service (IRS), Systems of Records, Federal Register Vol. 66, pp. 63784  
through 63875  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

8 In addition, 27 C.F.R. §70.11 also states that Subtitle F is delegated to be enforced and administered by BATF, "as it relates  
9 to any of the foregoing."

10 The words "the foregoing" in 27 C.F.R. §70.11, which is a section entitled "Meaning of terms", refer to the following terms:  
11 Person; lien; levy; enforced collection; electronic fund transfer; Director (BATF); Commercial Bank; Chief, Tax Processing  
12 Center; Code of Federal Regulations; Bureau; ATF Officer. So 27 C.F.R. §70.11 is stating that BATF has been delegated the  
13 authority of Subtitle F as it relates to liens, levies, enforced collection (ie, seizure and forfeiture) - activities which one  
14 generally associates with "IRS". Again, we can find no such delegation of authority to "IRS" which relates to such activities.  
15 This regulation further appears to make it clear that it is really BATF which is liening, levying and seizing property, even  
16 when it appears that "IRS" is doing these things.

17 Most significant of all in this conclusion that we have reached that it appears that it is always BATF which is masquerading  
18 as "IRS" when "IRS" is liening, levying and seizing property, is the following: 26 U.S.C. §7321 is the section of the Internal  
19 Revenue Code entitled: "Authority to Seize Property Subject to Forfeiture". It states:

20 *"Any property subject to forfeiture to the United States under any provision of this title may be seized by the Secretary."*

21 Then, in the implementing regulation, 26 C.F.R. §301.7321-1, entitled "Seizure of Property", is stated the following:

22 *"Any property subject to forfeiture to the United States under any provision of the Code may be seized by the district*  
23 *director or assistant regional commissioner (alcohol, tobacco and firearms). Upon seizure of property by the district*  
24 *director he shall notify the assistant regional commissioner (alcohol, tobacco and firearms) for the region wherein the*  
25 *district is located who will take charge of the property and arrange for its disposal or retention under the provisions of*  
26 *law and regulations applicable thereto." (Emphasis added.)*

27 The above statute and regulation plainly reveal that all property which is seized under any provision of Title 26, whether it  
28 be by the district director or the assistant regional commissioner (alcohol, tobacco and firearms) - all property which is seized  
29 by IRS is then handed over to the assistant regional commissioner (alcohol, tobacco and firearms), who "arrang(es) for its  
30 disposal and retention...."

31 Why is all property seized by "IRS" - "under any provision of Title 26", which would, of course, include Subtitle A, "Income  
32 Taxes" - much of it having to do with alleged violations of "income tax" laws, and ostensibly having nothing whatsoever to  
33 do with alcohol, tobacco or firearms taxes - seized by the District Director, and then handed over to this mysterious Assistant  
34 Regional Commissioner (Alcohol, Tobacco and Firearms), who clearly appears to be either an official of the Bureau of  
35 Alcohol, Tobacco and Firearms, or perhaps an official relevant only to Chapters 51, 52 and 53 of the Internal Revenue Code?  
36 It could only be because somehow all of the laws in Chapters 61 through 80, including the seizure and forfeiture laws of the  
37 IRC, are relevant only to BATF taxes.

38 The IRS-BATF connection is also confirmed by the regulations implementing Internal Revenue Code. All of the seizure and  
39 forfeiture statutes have their implementing regulations under 27 CFR, not 26 CFR, confirming that these seizures may only  
40 be accomplished by the BATF and not the IRS. 1 C.F.R. §21.21(c) requires that no agency may use the regulations of another  
41 agency. If the IRS were an agency separate and distinct from the BATF, it would have its own regulations for enforcement  
42 but it doesn't.

43 *TITLE 1 - GENERAL PROVISIONS*  
44 *CHAPTER 1 - ADMINISTRATIVE COMMITTEE OF THE FEDERAL REGISTER*



1 SUBCHAPTER E - PREPARATION, TRANSMITTAL, AND PROCESSING OF DOCUMENTS  
2 PART 21 - PREPARATION OF DOCUMENTS SUBJECT TO CODIFICATION  
3 Subpart a - GENERAL  
4 21.21 - General requirements: References.

5 (c) Each agency shall publish its own regulations in full text.

6 Cross-references to the regulations of another agency may not be used as a substitute for publication in full text, unless  
7 the Office of the Federal Register finds that the regulation meets any of the following exceptions: (1) The reference is  
8 required by court order, statute, Executive order or reorganization plan."

9 Also in Treasury Order (T.O.) 120-01 (dated 6/6/72) is a reference to the term "Director, Alcohol, Tobacco and Firearms  
10 Division" - the same term which was renamed "Internal Revenue Service" according to the Federal Register of 9/15/76. (See  
11 above.) Treasury Order 120-01 states:

12 *"The terms "Director, Alcohol, Tobacco and Firearms Division" and "Commissioner of Internal Revenue" wherever used*  
13 *in regulations, rules, and instructions, and forms, issued or adopted for the administration and enforcement of the laws*  
14 *specified in paragraph 2 hereof, which are in effect or in use on the effective date of this Order, shall be held to mean the*  
15 *Director...."*

16 *"The terms "internal revenue officer" and "officer, employee or agent of the internal revenue" wherever used in such*  
17 *regulations, rules, instructions and forms, in any law specified in paragraph 2 above, and in 18 U.S.C. 1114, shall include*  
18 *all officers and employees of the United States engaged in the administration and enforcement of the laws administered*  
19 *by the Bureau, who are appointed or employed by, or pursuant to the authority of, or who are subject to the directions,*  
20 *instructions or orders of, the Secretary."*

21 The above statements - aside from being extremely circular and difficult to follow - appear to be revealing that the official  
22 known as the Commissioner of Internal Revenue is actually the same person and office as the Director, Alcohol, Tobacco  
23 and Firearms Division (who was renamed "Internal Revenue Service" according to the Federal Register, Volume 41, Number  
24 180, of Wednesday, September 15, 1976) and that the officials known as "internal revenue officer" and "officer, employee or  
25 agent of the internal revenue" are actually enforcing BATF laws. For further exploration of this, see the definition of "Revenue  
26 Agent" below.

27 Treasury Order 120-01 goes on to state:

28 *"There shall be transferred to the Bureau all positions, personnel, records, property, and unexpended balances of*  
29 *appropriations, allocations, and other funds of the Alcohol, Tobacco and Firearms Division of the Internal Revenue*  
30 *Service, including those of the Assistant Regional Commissioners (Alcohol, Tobacco and Firearms), Internal Revenue*  
31 *Service."*

32 Commissioner Richardson - the Assistant Regional Commissioner (Alcohol, Tobacco and Firearms) is apparently the same  
33 official named in 26 C.F.R. §301.7321-1, who "takes charge" of all property seized by "IRS" and "arranges for its disposal."

34 What is even more bizarre is this: after all the property seized by "IRS" is handed over by the District Director to this  
35 mysterious Assistant Regional Commissioner (alcohol, tobacco and firearms), the remission or mitigation of forfeitures  
36 relevant to the Internal Revenue Code (Title 26) and its regulations (26 CFR) is governed by the customs laws which are  
37 applicable to remission or mitigation of penalties as contained in Title 19 USC - Customs - Sections 1613 and 1618. Sections  
38 1613 and 1618 of Title 19 fall under Chapter 4, which is relevant to the enforcement of the provisions of the Tariff Act of  
39 1930. Why are sections of the customs laws which govern the enforcement of the Tariff Act of 1930 the only laws which are  
40 cited to be used to remit or mitigate forfeitures of property which has been seized by "IRS" and then handed over to a BATF  
41 official? More simply: If our property were seized by "IRS", why would we be forced to use Customs laws to attempt to get  
42 it back?

43 Concerning the Federal Alcohol Administration, it is obvious that some entity with the present name "Internal Revenue  
44 Service" used to be known as the "Bureau of Internal Revenue." And we find that renaming confirmed in Treasury Order  
45 150-06, dated July 9<sup>th</sup>, 1953, entitled "Designation as Internal Revenue Service," which states in paragraph #1:

46 *"The Bureau of Internal Revenue shall hereafter be known as the Internal Revenue Service."*

1 So where did this "Bureau of Internal Revenue" which was then renamed "Internal Revenue Service" originate? The only  
2 place we can find any reference whatsoever to the creation of a "Bureau of Internal Revenue" is in Article I of the Philippine  
3 Commission Act, Act No. 1189, dated 1904, which states in Section 2:

4 *"There shall be established a Bureau of Internal Revenue, the chief officer of which shall be known as the Collector of*  
5 *Internal Revenue. He shall be appointed by the Civil Governor, with advice and consent of the Philippine Commission,*  
6 *and shall receive a salary at the rate of eight thousand pesos per annum.*

7 *"The Bureau of Internal Revenue shall belong to the Department of Finance and Justice."*

8 Does this mean that the Bureau of Internal Revenue established in the Philippines in 1904 [is] the same Bureau of Internal  
9 Revenue which was renamed "Internal Revenue Service" in Treasury Order 150-06? And, if not, what is the statutory origin  
10 of the Bureau of Internal Revenue which is cited in TO 150-06? And since the Bureau of Internal Revenue established in the  
11 Philippines in 1904 belonged at that time to the Department of Finance and Justice, if it is the Bureau of Internal Revenue  
12 which was renamed "Internal Revenue Service" and is now found in the Department of the Treasury, how was it transferred  
13 from the former department to the latter, and when?

## 14 **7. IRS Enforcement Authority**

### 15 **7.1 WHICH "United States" May the IRS Enforce in?<sup>29</sup>**

16 The statutory geographical "United States" is legally defined as:

17 [26 U.S. Code § 7701 - Definitions](#)

18 (a)When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

19 (9)UNITED STATES

20 The term "[United States](#)" when used in a geographical sense includes only the [States](#) and the District of Columbia.

21 (10)STATE

22 The term "[State](#)" shall be construed to include the District of Columbia, where such construction is necessary to carry  
23 out provisions of this title.

24 HOWEVER, in most cases, "United States" is NOT used in its GEOGRAPHICAL sense, but its LEGAL sense as a federal  
25 corporation. By "sense" we mean "CONTEXT". To be WITHIN the LEGAL rather than GEOGRAPHICAL "United States"  
26 means to be an OFFICER of the federal corporation "United States" as defined in 28 U.S.C. §3002(15)(A). The fact that  
27 LEGAL and the GEOGRAPHICAL contexts are not expressly identified and not explained in each use of the term "United  
28 States" is malicious and deliberate, in order to make the process of procuring your consent to JOIN the federal corporation  
29 INVISIBLE and product of IGNORANCE rather than INFORMED CHOICE. Such tactics are further explored in:

- 30 1. [Hot Issues: Invisible Consent\\*](#), SEDM  
31 <https://sedm.org/invisible-consent/>
- 32 2. [Avoiding Traps in Government Forms Course](#), Form #12.023  
33 <https://sedm.org/LibertyU/AvoidingTrapsGovForms.pdf>

34 Let's further explore why even the GEOGRAPHICAL definition of "United States" above is deliberately deceptive. "State"  
35 above is defined as the District of Columbia, which makes sense per 4 U.S.C. §72, since the tax is upon OFFICES within the  
36 national government rather than the people occupying them. But what does the term "the States" mean in that context,  
37 because that term is never expressly defined? Here are a few facts to clarify this confusion:

- 38 1. The default definition of "The STATES" is provided in 4 U.S.C. §110(d) as:

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<sup>29</sup> SOURCE: [Proof that American Nationals are Nonresident Aliens](#), Form #09.081, Section 7.1; <https://sedm.org/Forms/09-ProofAnNRA.pdf>.

1 [4 U.S. Code §110 – The States](#)

2 (d)The term “State” includes any Territory or possession of the United States.

- 3 2. The term “foreign country” is defined in the regulations at 26 C.F.R. §301.7701(b)-2(b) as INCLUDING “The States”  
4 above:

5 [26 C.F.R. §301.7701\(b\)-2 - Closer connection exception.](#)

6 (b) Foreign country.

7 For purposes of section 7701(b) and the regulations thereunder, the term “foreign country” when used in a geographical  
8 sense includes any territory under the sovereignty of the United Nations or a government other than that of the United  
9 States. It includes the territorial waters of the foreign country (determined in accordance with the laws of the United  
10 States), and the seabed and subsoil of those submarine areas which are adjacent to the territorial waters of the foreign  
11 country and over which the foreign country has exclusive rights, in accordance with international law, with respect to the  
12 exploration and exploitation of natural resources. It also includes the possessions and territories of the United States.

- 13 3. The term “United States” is legally defined in the regulations as EXCLUDING “The States” in 4 U.S.C. §110(d) above  
14 also:

15 [26 C.F.R. §301.7701-7 - Trusts—domestic and foreign.](#)

16 (3) Definitions.

17 The following definitions apply for purposes of this section:

18 (i) Court.

19 The term court includes any federal, state, or local court.

20 (ii) The United States.

21 The term the United States is used in this section in a geographical sense. Thus, for purposes of the court test, the United  
22 States includes only the States and the District of Columbia. See section 7701(a)(9). Accordingly, a court within a  
23 territory or possession of the United States or within a foreign country is not a court within the United States.

24 Note in the above that “state” is lower case, implying that it is legislatively FOREIGN in respect to the sovereignty  
25 enacting the above interpretive regulation. Note also that the CONSTITUTIONAL status of the Union are  
26 NOWHERE mentioned and are therefore purposefully excluded under the rules of statutory construction.

- 27 4. People born and domiciled in ONE of the 4 U.S.C. §110(d) “States” are identified as “nonresidents, not a citizen of the  
28 United States” for the purpose of the ENTIRE Title 26!

29 [26 U.S. Code § 2209 - Certain residents of possessions considered nonresidents not citizens of the United States](#)

30 A decedent who was a citizen of the United States and a resident of a possession thereof at the time of his death shall, for  
31 purposes of the tax imposed by this chapter, be considered a “nonresident not a citizen of the United States” within the  
32 meaning of that term wherever used in this title, but only if such person acquired his United States citizenship solely  
33 by reason of (1) his being a citizen of such possession of the United States, or (2) his birth or residence within such  
34 possession of the United States.

35 (Added Pub. L. 86–779, § 4(b)(1), Sept. 14, 1960, 74 Stat. 999.)

36 So we are still left with the GREAT MYSTERY of exactly WHAT “the States” means within the geographical definition of  
37 “United States”, since it doesn’t expressly include constitutional states of the Union and expressly EXCLUDES territories  
38 and possessions. Under the rules of statutory construction and interpretation, the definition can only include what is  
39 EXPRESSLY stated SOMEWHERE in Title 26 and everything else is PURPOSEFULLY excluded:

40 “When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary  
41 meaning. *Meese v. Keene*, 481 U.S. 465, 484–485 (1987) (“It is axiomatic that the statutory definition of the term excludes  
42 unstated meanings of that term”); *Colautti v. Franklin*, 439 U.S. at 392–393, n. 10 (“As a rule, “a definition which declares  
43 what a term “means” . . . excludes any meaning that is not stated”); *Western Union Telegraph Co. v. Lenroot*, 323 U.S.  
44 490, 502 (1945); *Fox v. Standard Oil Co. of N.J.*, 294 U.S. 87, 95–96 (1935) (*Cardozo, J.*); see also 2A N. Singer,

1 Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to  
2 say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition.  
3 That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial  
4 portion," indicate the contrary."  
5 [*Stenberg v. Carhart*, 530 U.S. 914 (2000)]

6 "It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. *Colautti v. Franklin*,  
7 [439 U.S. 379](#), 392, and n. 10 (1979). Congress' use of the term "propaganda" in this statute, as indeed in other legislation,  
8 has no pejorative connotation.[19] As judges, it is our duty to [481 U.S. 485] construe legislation as it is written, not as  
9 it might be read by a layman, or as it might be understood by someone who has not even read it."  
10 [*Meese v. Keene*, 481 U.S. 465, 484 (1987)]

11 "As a rule, `a definition which declares what a term "means" . . . excludes any meaning that is not stated'"  
12 [*Colautti v. Franklin*, [439 U.S. 379](#) (1979), n. 10]

13 Thus, even including "the States" within the statutory geographical definition of "United States" in 26 U.S.C. §7701(a)(9)  
14 and (a)(10) is:

- 15 1. Entirely superfluous and unnecessary per the rules of statutory construction and interpretation.
- 16 2. Seems intended ONLY to deceive the reader.

17 It is furthermore a VIOLATION of the separation of powers doctrine and a violation of due process to PRESUME that the  
18 term "the States" includes areas within the exclusive jurisdiction of the constitutional states. All presumptions are a violation  
19 of due process. Any attempt to PRESUME that something not expressly stated is included in effect is the exercise of  
20 "legislative powers" reserved to the LEGISLATIVE branch. Such powers cannot lawfully be exercised either by judges or  
21 executive branch employees or attorneys. When they ARE exercised, below is the result predicted by the designer of our  
22 three-branch system of government:

23 "**When the legislative and executive powers are united in the same person, or in the same body of magistrates, there**  
24 **can be no liberty; because apprehensions may arise, lest the same monarch or senate should enact tyrannical laws, to**  
25 **execute them in a tyrannical manner.**

26 **Again, there is no liberty, if the judiciary power be not separated from the legislative and executive. Were it joined with**  
27 **the legislative, the life and liberty of the subject would be exposed to arbitrary control; for the judge would be then the**  
28 **legislator. Were it joined to the executive power, the judge might behave with violence and oppression [sound**  
29 **familiar?].**

30 **There would be an end of everything, were the same man or the same body, whether of the nobles or of the people, to**  
31 **exercise those three powers, that of enacting laws, that of executing the public resolutions, and of trying the causes of**  
32 **individuals."**

33 [ . . . ]

34 **In what a situation must the poor subject be in those republics! The same body of magistrates are possessed, as**  
35 **executors of the laws, of the whole power they have given themselves in quality of legislators. They may plunder the**  
36 **state by their general determinations; and as they have likewise the judiciary power in their hands, every private citizen**  
37 **may be ruined by their particular decisions."**

38 [*The Spirit of Laws*, Charles de Montesquieu, Book XI, Section 6, 1758;  
39 SOURCE: [http://famguardian.org/Publications/SpiritOfLaws/sol\\_11.htm](http://famguardian.org/Publications/SpiritOfLaws/sol_11.htm)]

40 For more on the abuse of context and the rules of statutory construction to deceive and invoke criminal identity theft, see:

<p>41 <u><a href="#">Legal Deception, Propaganda, and Fraud</a>, Form #05.014</u> 42 <u><a href="https://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf">https://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf</a></u></p>
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41 By the way, the closest we have been able to come to finding a definition for "the States" as used in 26 U.S.C. 7701(a)(9) is  
42 INDIANS. To wit:

43 "The Cherokee Nation is not a foreign state, in the sense in which the term 'foreign state' is used in the Constitution of the  
44 United States."

45 "The Cherokees are a State."

1 *"The acts of our government plainly recognize the Cherokee Nation as a State, and the courts are bound by those acts."*  
2 *[Cherokee Nation v. The State of Georgia, 30 U.S. 1, 8 L.Ed. 25 (1831)]*

## 3 **7.2 IRS Form 1040 is for federal territories and possessions, not Union states**

4 In addition, we have uncovered the following: Form 1040 is entitled "U.S. Individual Income Tax Return", which would  
5 indicate that it is a form to [be] filed by a "U.S. Individual." 26 C.F.R. §1.6017-1(a)(1), dealing with "Self-Employment tax  
6 returns", states the following:

7 *"an individual who is a resident of the Virgin Islands, Puerto Rico, or (for any taxable year beginning after 1960) Guam*  
8 *or American Samoa is not to be considered a nonresident alien individual."*

9 In the above, they are talking about someone who is a "resident" domiciled in the places identified, not someone who is  
10 "resident IN" those places. All "residents" are aliens under 26 U.S.C. §7701(b)(1)(A) and never nationals. Thus, they are  
11 talking ONLY about a foreign affairs function. 26 C.F.R. §1.6017-1(a)(2) further states:

12 *"Except as otherwise provided in this subparagraph, the return required by this section shall be made on Form 1040. The*  
13 *form to be used by residents of the Virgin Islands, Guam, or American Samoa is Form 1040SS...."*

14 IRS Publication 676 states that Form 1040 SS is a "Self-Employment Tax Return." But the above section states that the return  
15 required "under this section shall be made on Form 1040." It would appear, therefore, that an "individual" is actually a resident  
16 of the Virgin Islands (or Puerto Rico, or, before 1960, Guam or American Samoa). This is arguably one plausible reason why  
17 the Transaction Code 150, indicating that a Virgin Islands return has been filed, is posted to the Virgin Islands transcript IMF  
18 when a Form 1040 or SFR are filed. See:

IRS Publication 676 <a href="http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm">http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm</a>
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## 19 **7.3 Internal Revenue Districts**

20 The President is authorized, pursuant to the grant of authority of 26 U.S.C. §7621, to create internal revenue districts within  
21 the several States.

22 *26 U.S.C. Sec. 7621. Internal revenue districts*

23 *Establishment and alteration*

24 *The President shall establish convenient internal revenue districts for the purpose of administering the internal revenue*  
25 *laws. The President may from time to time alter such districts.*

26 *Boundaries*

27 *For the purpose mentioned in subsection (a), the President may subdivide any State, or the District of Columbia, or may*  
28 *unite into one district two or more States.*

29 Pursuant to 3 U.S.C. §301, the President is authorized to redelegate that authority to certain officers of the United States. By  
30 subsection 1(g) of Executive Order No. 10289, the President redelegated that authority to the Secretary of the Treasury.

31 *Executive Order No. 10289 (See at 3 U.S.C. §301 for complete text.)*

32 *1. The Secretary of the Treasury is hereby designated and empowered to perform the following- described functions of*  
33 *the President without the approval, ratification, or other action of the President:*

34 *(g) The authority vested in the President by section 3650 of the Internal Revenue Code (section 3650 of the Internal*  
35 *Revenue Code of 1939) (see 26 U.S.C. 7621), to establish convenient collection districts (for the purpose of assessing,*  
36 *levying, and collecting the taxes provided by the internal revenue laws), and from time to time to alter such districts.*

37 Though authority was delegated to the President and redelegated to the Secretary of the Treasury to establish internal revenue  
38 districts, no document can be found that has established such revenue districts over any territory, which is under the exclusive  
39 legislative jurisdictions of the several States. As stated in section 7621 quoted above, the administration of internal revenue



1 laws required internal revenue districts, which were established in compliance with requirements of 26 U.S.C. §7621 and  
2 E.O. 10289. See 26 U.S.C. §§7601, et seq.;

3 *26 U.S.C. Sec. 7601. Canvass of districts for taxable persons and objects*  
4 *(a) General rule*

5 *The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to*  
6 *proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein*  
7 *who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any*  
8 *objects with respect to which any tax is imposed.*

9 and 26 C.F.R. §601.101:

10 *26 C.F.R. 601.101 Introduction.*

11 *(a) General. The Internal Revenue Service is a bureau of the Department of the Treasury under the immediate direction*  
12 *of the Commissioner of Internal Revenue. The Commissioner has general superintendence of the assessment and*  
13 *collection of all taxes imposed by any law providing internal revenue. The Internal Revenue Service is the agency by*  
14 *which these functions are performed. Within an internal revenue district the internal revenue laws are administered by a*  
15 *district director of internal revenue. \*\*\**

16 If there are no internal revenue districts created within territory under the exclusive legislative jurisdictions of the several  
17 States, where then is the Commissioner delegated authority to administer taxes? The Commissioner was delegated authority  
18 in Treasury Order (TO) 150-01 to administer the internal revenue laws within United States territories and insular possessions,  
19 and other areas of the world. These Treasury Orders state:

20 *6. U.S. Territories and Insular Possessions.*

21 *The Commissioner shall, to the extent of authority otherwise vested in him, provide for the administration of the United*  
22 *States internal revenue laws in the U.S. territories and insular possessions and other authorized areas of the world.*  
23 *[T.O. 150-01 dated February 27, 1986]*

24 \_\_\_\_\_  
25 *3. U.S. Territories and Insular Possessions.*

26 *The Commissioner of Internal Revenue shall, to the extent of authority vested in the Commissioner, provide for the*  
27 *administration of the United States internal revenue laws in the U.S. territories and insular possessions and other areas*  
28 *of the world.*  
29 *[T.O. 150-01 dated September 28, 1995]*

30 Treasury Order 150-01, dated September 28, 1995, was cancelled by Treasury Order 150-02, dated March 9, 2001. However,  
31 Treasury Order 150-39, dated July 17, 2002, states:

32 *2. DELEGATION. [\*\*\*] The authority of the Commissioner of Internal Revenue to provide for the administration of the*  
33 *United States internal revenue laws in the possessions of the United States (including administration of the aforesaid tax*  
34 *agreements) remains in effect.*  
35 *[Treasury Order 150-39, dated July 17, 2002]*

36 Other than the above delegations of authority over Federal territory within the States and elsewhere, no other such language  
37 has been found granting authority to the Commissioner for the administration of internal revenue laws within the several  
38 States. The cancellation of the last T.O. 150-01 appears to have had the effect of doing away with internal revenue districts  
39 where the Commissioner and the federal income tax are concerned.

40 Territorial application is also set out in the Code of Federal Regulations. One should also note that the Territories of Alaska  
41 and Hawaii were removed from the definitions of "State" and "United States" when they became States of the Union.

42 *26 CFR Ch. I (4-1-98 Edition)*  
43 *§ 31.3121(e)-1 State, United States, and citizen.*

44 *When used in the regulations in this subpart, the term "State" includes the District of Columbia, the Commonwealth of*  
45 *Puerto Rico, the Virgin Islands, the Territories of Alaska and Hawaii before their admission as States, and (when used*  
46 *with respect to services performed after 1960) Guam and American Samoa.*

1 When used in the regulations in this subpart, the term "United States", when used in a geographical sense, means the  
2 several states (including the Territories of Alaska and Hawaii before their admission as States), the District of Columbia,  
3 the Commonwealth of Puerto Rico, and the Virgin Islands. When used in the regulations in this subpart with respect to  
4 services performed after 1960, the term "United States" also includes Guam and American Samoa when the term is used  
5 in a geographical sense. The term "citizen of the United States" includes a citizen of the Commonwealth of Puerto Rico  
6 or the Virgin Islands, and, effective January 1, 1961, a citizen of Guam or American Samoa.

7 [T.D. 6744, 29 FR 8314, July 2, 1964]

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8  
9 6. U.S. Territories and Insular Possessions.

10 The Commissioner shall, to the extent of authority otherwise vested in him, provide for the administration of the United  
11 States internal revenue laws in the U.S. territories and insular possessions and other authorized areas of the world.

12 [T.O. 150-01 dated February 27, 1986]

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13  
14 3. U.S. Territories and Insular Possessions.

15 The Commissioner of Internal Revenue shall, to the extent of authority vested in the Commissioner, provide for the  
16 administration of the United States internal revenue laws in the U.S. territories and insular possessions and other areas  
17 of the world.

18 [T.O. 150-01 dated September 28, 1995]

19 Treasury Order 150-01, dated September 28, 1995, was cancelled by Treasury Order 150-02, dated March 9, 2001. However,  
20 Treasury Order 150-39, dated July 17, 2002, states:

21 2. DELEGATION. [\*\*\*] The authority of the Commissioner of Internal Revenue to provide for the administration of the  
22 United States internal revenue laws in the possessions of the United States (including administration of the aforesaid tax  
23 agreements) remains in effect.

24 Other than the above delegations of authority over Federal territory within the States and elsewhere, no other such language  
25 has been found granting authority to the Commissioner for the administration of internal revenue laws within the several  
26 States. The cancellation of the last T.O. 150-01 appears to have had the effect of doing away with internal revenue districts  
27 where the Commissioner and the federal income tax are concerned.

28 Territorial application is also set out in the Code of Federal Regulations. One should also note that the Territories of Alaska  
29 and Hawaii were removed from the definitions of "State" and "United States" when they became States of the Union.

30 26 CFR Ch. I (4-1-98 Edition)  
31 § 31.3121(e)-1 State, United States, and citizen.

32 When used in the regulations in this subpart, the term "State" includes the District of Columbia, the Commonwealth of  
33 Puerto Rico, the Virgin Islands, the Territories of Alaska and Hawaii before their admission as States, and (when used  
34 with respect to services performed after 1960) Guam and American Samoa.

35 When used in the regulations in this subpart, the term "United States", when used in a geographical sense, means the  
36 several states (including the Territories of Alaska and Hawaii before their admission as States), the District of Columbia,  
37 the Commonwealth of Puerto Rico, and the Virgin Islands. When used in the regulations in this subpart with respect to  
38 services performed after 1960, the term "United States" also includes Guam and American Samoa when the term is used  
39 in a geographical sense. The term "citizen of the United States" includes a citizen of the Commonwealth of Puerto Rico  
40 or the Virgin Islands, and, effective January 1, 1961, a citizen of Guam or American Samoa.

41 [T.D. 6744, 29 FR 8314, July 2, 1964]

## 42 **7.4 Tax Enforcement Limited to Internal Revenue DISTRICTS and District Directors**

43 5 U.S.C. §301 authorizes the Head of each Department to write regulations for the management of their department:

1 [5 U.S. Code §301 - Departmental regulations](#)

2 **The head of an Executive department or military department may prescribe regulations for the government of his**  
3 **department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and**  
4 **preservation of its records, papers, and property.** This section does not authorize withholding information from the public  
5 or limiting the availability of records to the public.

6 ([Pub. L. 89-554](#), Sept. 6, 1966, [80 Stat. 379](#).)

7 The IRS is established BY REGULATION of the Secretary at 26 C.F.R. §601.101 and NOT by statute. The regulations are  
8 known as "Part 600".

9 [26 CFR 601.101 - Introduction](#)

10 § 601.101 Introduction.

11 (a)General.

12 **The Internal Revenue Service is a bureau of the Department of the Treasury under the immediate direction of the**  
13 **Commissioner of Internal Revenue.** The Commissioner has general superintendence of the assessment and collection of  
14 all taxes imposed by any law providing internal revenue. The Internal Revenue Service is the agency by which these  
15 functions are performed. **Within an internal revenue district the internal revenue laws are administered by a district**  
16 **director of internal revenue.** The Director, Foreign Operations District, administers the internal revenue laws applicable  
17 to taxpayers residing or doing business abroad, foreign taxpayers deriving income from sources within the United States,  
18 and taxpayers who are required to withhold tax on certain payments to nonresident aliens and foreign corporations,  
19 provided the books and records of those taxpayers are located outside the United States. For purposes of these procedural  
20 rules any reference to a district director or a district office includes the Director, Foreign Operations District, or the  
21 District Office, Foreign Operations District, if appropriate. Generally, the procedural rules of the Service are based on  
22 the Internal Revenue Code of 1939 and the Internal Revenue Code of 1954, and the procedural rules in this part apply to  
23 the taxes imposed by both Codes except to the extent specifically stated or where the [procedure](#) under one Code is  
24 incompatible with the [procedure](#) under the other Code. Reference to sections of the Code are references to the Internal  
25 Revenue Code of 1954, unless otherwise expressly indicated.

26 (b)Scope.

27 This part sets forth the procedural rules of the Internal Revenue Service respecting all taxes administered by the Service,  
28 and supersedes the previously published statement (26 CFR (1949 ed., Part 300-End) Parts 600 and 601) with respect to  
29 such procedural rules. Subpart A provides a descriptive statement of the general course and method by which the Service's  
30 functions are channeled and determined, insofar as such functions relate generally to the assessment, collection, and  
31 enforcement of internal revenue taxes. Certain provisions special to particular taxes are separately described in [Subpart](#)  
32 [D](#) of this part. Conference and practice requirements of the Internal Revenue Service are contained in [Subpart E](#) of this  
33 part. Specific matters not generally involved in the assessment, collection, and enforcement functions are separately  
34 described in [Subpart B](#) of this part. A description of the rule making functions of the Department of the Treasury with  
35 respect to internal revenue tax matters is contained in [Subpart F](#) of this part. [Subpart G](#) of this part relates to matters of  
36 official record in the Internal Revenue Service and the extent to which records and documents are subject to publication  
37 or open to public inspection. This part does not contain a detailed discussion of the substantive provisions pertaining to  
38 any particular tax or the [procedures](#) relating thereto, and for such information it is necessary that reference be made to  
39 the applicable provisions of law and the regulations promulgated thereunder. The regulations relating to the taxes  
40 administered by the Service are contained in title 26 of the Code of Federal Regulations.

41 [[38 FR 4955](#), Feb. 23, 1973 and [41 FR 20880](#), May 21, 1976, as amended at [45 FR 7251](#), Feb. 1, 1980; [49 FR 36498](#),  
42 Sept. 18, 1984; T.D. 8685, [61 FR 58008](#), Nov. 12, 1996]

43 [SOURCE: <https://www.law.cornell.edu/cfr/text/26/601.101>]

44 The Tenth Circuit identified the above regulation as the origin of the IRS in *Lonsdale v. U.S.*, 919 F.2d. 1440, 1448 (10th  
45 Cir. 1990). In *Snyder v. U.S.*, 596 F.Supp. 240, 247 (N.D. Ind. 1984) it was held the IRS owes its entire legal existence  
46 pursuant to 26 C.F.R. §601.101. The Tenth Circuit cited to Section 601.101 in *U.S. v. Dawes*, 951 F.2d. 1189, 1193(N.3)(10th  
47 Cir. 1991).

48 It should be noted from the above and from 26 U.S.C. §7601 that IRS enforcement is expressly limited to "Internal Revenue  
49 Districts".

50 [26 C.F.R. §601.101\(a\)](#)

1 Within an internal revenue district the internal revenue laws are administered by a district director of internal revenue.

2 [SOURCE: <https://www.law.cornell.edu/cfr/text/26/601.101>]

3  
4 26 U.S. Code § 7601 - Canvass of districts for taxable persons and objects

5 (a) General rule

6 *The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to*  
7 *proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein*  
8 *who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any*  
9 *objects with respect to which any tax is imposed.*

10 It is important to note the following about “Internal Revenue Districts”:

- 11 1. The ONLY district director or district office listed in the above regulation is:  
12 1.1. Director, Foreign Operations District.  
13 1.2. District Office, Foreign Operations District.  
14 2. There are no district directors or districts OTHER than those for Foreign Operations.  
15 3. There is no definition of “foreign” within the Internal Revenue Code EXCEPT in the context of OTHER than  
16 corporations and partnerships in 26 U.S.C. §7701(a)(5).

17 26 U.S. Code § 7701 - Definitions

18 (a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

19 (4) DOMESTIC

20 *The term “domestic” when applied to a corporation or partnership means created or organized in the United States or*  
21 *under the law of the United States or of any State unless, in the case of a partnership, the Secretary provides otherwise*  
22 *by regulations.*

23 (5) FOREIGN

24 *The term “foreign” when applied to a corporation or partnership means a corporation or partnership which is not*  
25 *domestic.*

- 26 4. We are therefore forced to conclude that:  
27 4.1. The GOVERNMENT is one of the corporations mentioned in 28 U.S.C. §3002(15)(A) and by the U.S. Supreme  
28 Court:

29 *“Corporations are also of all grades, and made for varied objects; all governments are corporations, created by usage*  
30 *and common consent, or grants and charters which create a body politic for prescribed purposes; but whether they are*  
31 *private, local or general, in their objects, for the enjoyment of property, or the exercise of power, they are all governed*  
32 *by the same rules of law, as to the construction and the obligation of the instrument by which the incorporation is*  
33 *made. One universal rule of law protects persons and property. It is a fundamental principle of the common law of*  
34 *England, that the term freemen of the kingdom, includes 'all persons,' ecclesiastical and temporal, incorporate, politic*  
35 *or natural; it is a part of their magna charta (2 Inst. 4), and is incorporated into our institutions. The persons of the*  
36 *members of corporations are on the same footing of protection as other persons, and their corporate property secured by*  
37 *the same laws which protect that of individuals. 2 Inst. 46-7. 'No man shall be taken,' 'no man shall be disseised,' without*  
38 *due process of law, is a principle taken from magna charta, infused into all our state constitutions, and is made inviolable*  
39 *by the federal government, by the amendments to the constitution.”*

40 [*Proprietors of Charles River Bridge v. Proprietors of Warren Bridge, 36 U.S. 420 (1837)*]

- 41 4.2. Everything WITHIN corporations and partnerships subject to exclusive federal jurisdictions are “DOMESTIC”.  
42 4.3. Anything OUTSIDE of corporations and partnerships subject to exclusive federal jurisdiction only are  
43 “FOREIGN”.  
44 4.4. All such corporations and partnerships must involve federal corporations or those between the national  
45 government as a corporation under 28 U.S.C. §3002(15)(A) and people or entities OUTSIDE of it. In other  
46 words.

1 "It is very true that a corporation can have no legal existence out of the boundaries of the sovereignty by which it is  
2 created. It exists only in contemplation of law, and by force of the law; and where the law ceases to operate, and is no  
3 longer obligatory, the corporation can have no existence. It must dwell [be domiciled] in the place of its creation [the  
4 District of Columbia, under 4 U.S.C. §72], and cannot migrate to another sovereignty."  
5 [Bank of Augusta v. Earle, 38 U.S. (13 Pet.) 519; 10 L.Ed. 274 (1839)]

- 6 4.5. The taxation or regulation of any type of partnership OTHER than one in which the U.S. Inc. is a party would be  
7 an unconstitutional and direct interference with the right to contract of BOTH parties.  
8 4.6. There is no subject matter jurisdiction over corporations or partnerships conveyed in the Constitution Article 1,  
9 Section 8 except incidental to its foreign affairs powers in Article 1, Section 8, Clause 3. Therefore, exclusive  
10 jurisdiction must be involved DOMESTICALLY, meaning WITHIN the corporation and FOREIGN AFFAIRS  
11 must be involved outside the corporation.  
12 4.7. The income tax is a tax upon the GOVERNMENT, its offices, and its contracting partners and NO ONE ELSE.  
13 This is consistent with the U.S. Supreme Court's conclusions as well:

14 "*Loughborough v. Blake*, 18 U.S. 317, 5 Wheat. 317, 5 L.Ed. 98, was an action of trespass (or, as appears by the original  
15 record, replevin) brought in the Circuit Court for the District of Columbia to try the right of Congress to impose a direct  
16 tax for general purposes on that District. 3 Stat. 216, c. 60, Fed. 17, 1815. It was insisted that Congress could act in a  
17 double capacity: in [\*\*\*32] one as legislating [\*260] for the States; in the other as a local legislature for the District  
18 of Columbia. In the latter character, it was admitted that the power of levying direct taxes might be exercised, but for  
19 District purposes only, as a state legislature might tax for state purposes; but that it could not legislate for the District  
20 under Art. I, sec. 8, giving to Congress the power "to lay and collect taxes, imposts and excises," which "shall be  
21 uniform throughout the [CONSTITUTIONAL] United States[\*\*\*]," inasmuch as the District was no part of the  
22 [CONSTITUTIONAL] United States[\*\*\*]. It was held that the grant of this power was a general one without limitation  
23 as to place, and consequently extended to all places over which the government extends; and that it extended to the  
24 District of Columbia as a constituent part of the United States. The fact that Art. I, sec. 20, declares that "representatives  
25 and direct taxes shall be apportioned among the several States . . . according to their respective numbers," furnished a  
26 standard by which taxes were apportioned; but not to exempt any part of the country from their operation. "The words  
27 used do not mean, that direct taxes shall be imposed on States only which are [\*\*\*33] represented, or shall be  
28 apportioned to representatives; but that direct taxation, in its application to States, shall be apportioned to numbers."  
29 That Art. I, sec. 9, P4, declaring that direct taxes shall be laid in proportion to the census, was applicable to the District  
30 of Columbia, "and will enable Congress to apportion on it its just and equal share of the burden, with the same accuracy  
31 as on the respective States. If the tax be laid in this proportion, it is within the very words of the restriction. It is a tax in  
32 proportion to the census or enumeration referred to." It was further held that the words of the ninth section did not "in  
33 terms require that the system of direct taxation, when resorted to, shall be extended to the territories, as the words of the  
34 second section require that it shall be extended to all the [\*\*777] States. They therefore may, without violence, be  
35 understood to give a rule when the territories shall be taxed without imposing the necessity of taxing them."  
36 [Downes v. Bidwell, 182 U.S. 244 (1901)]

37 Notice the language: "without limitation as to place, and consequently extended to all places over which the  
38 government extends; and that it extended to the District of Columbia as a constituent part of the United  
39 States". What could be better than an income tax upon ONLY the government, the federal corporations that it  
40 creates or authorizes, and its business partners?

- 41 5. The current IRS Organization Chart does not even include the ONLY remaining district, which is the Foreign  
42 Operations District. See:

43 IRS Organization Chart, IRS  
44 <https://www.irs.gov/pub/newsroom/marketing/internet/irs-organization-chart.pdf>

- 45 6. There are NO Internal Revenue Districts within any state of the Union. This would be an unconstitutional invasion in  
46 violation of Article 4, Section 4 of the Constitution.  
47 7. The IRS has arbitrarily and ILLEGALLY created "Areas" and "Area Offices" not expressly authorized by the above  
48 regulation. This cannot be allowed in a "society of laws", since there are no laws authorizing it:  
49 7.1. Such areas have NO LEGISLATIVE authority to exist.  
7.2. IRS therefore has no authority to establish such areas within constitutional states of the Union or to enforce there,  
because there are NO Districts other than the Foreign Operations District.

50 The above are consistent with the definition of "United States" in the Internal Revenue Code itself:

51 [TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.](#)  
52 [Sec. 7701. - Definitions](#)

53 (a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

54 (9) United States



The term "United States" when used in a geographical sense includes only the [States](#) and the District of Columbia.

[\(10\) State](#)

The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title.

For the record, below is the common definition of "bureau" is as follows.

**Bureau** *noun*

*bu-reau* | \ 'byūr-(.)ō, 'byər-\

plural *bureaus* also *bureaux* \ -(.)ōz \

*Definition of bureau*

*2a: a specialized administrative unit especially: a subdivision of an executive department of a government the Federal Bureau of Investigation*

[Webster's Online Dictionary: Bureau; SOURCE: <https://www.merriam-webster.com/dictionary/bureau>]

The Supreme Court has found the IRS is "organized to carry out" the Internal Revenue Laws. By "internal" is meant "internal" to the U.S. government and statutory geographical "United States" (26 U.S.C. §7701(a)(9) and (a)(10)), not internal to the geographic "United States" or "United States of America" in the Constitutional States of the Union. U.S. v. Euge, 444 U.S. 707, 719 (N.3)(1980).

Even though IRS may only enforce within Internal Revenue Districts to this day WITHOUT any remaining district directors, they have without any statutory or regulatory authority unconstitutionally created an entire network of "Areas" within the Constitutional United States that they enforce within OUTSIDE of the only remaining Internal Revenue District in the District of Columbia. You can find a list of "Taxpayer Assistance Center Offices" at:

*Taxpayer Assistance Center Office Locator, IRS*  
<https://apps.irs.gov/app/office-locator/>

Unfortunately, there is no equivalent network of "NONTAXPAYER Assistance Centers", so their business of milking the cows clearly discriminates against those who don't want to be "cows" on the federal plantation. A real government would protect your freedom and autonomy. A de facto government such as the present one only helps those who want to GIVE UP all their freedom and become government property called a statutory "taxpayer" public officer. See:

*Your Rights as a "Nontaxpayer", IRS Publication 1a, Form #08.008*  
<https://sedm.org/LibertyU/NontaxpayerBOR.pdf>

For further details on the history of the Internal Revenue Service, see:

*The Work and Jurisdiction of the Bureau of Internal Revenue, U.S. Government Printing Office, 1948*  
<http://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf>

## **7.5 No Internal Revenue Districts within States of the Union**

The Internal Revenue Code itself defines and limits the terms "United States" and "State" to include only the District of Columbia. Nowhere does the term expressly include any state of the Union. Consequently, the 50 states of the Union are purposefully excluded in the Internal Revenue Code's definition of "United States".

[TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.](#)  
[Sec. 7701. - Definitions](#)

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

1 (9) *United States*

2 The term "United States" when used in a geographical sense includes only the [States](#) and the District of Columbia.

3 [\(10\) State](#)

4 The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry  
5 out provisions of this title.

6  
7 **26 C.F.R. §301.7701-7 - [Trusts—domestic and foreign.](#)**

8 (c) *The court test—*

9 (1) *Safe harbor. A trust satisfies the court test if—*

10 (i) *Court. The term court includes any federal, [state](#), or local court.*

11 (ii) *The United States.*

12 ***The term the United States is used in this section in a geographical sense. Thus, for [purposes](#) of the court test, the***  
13 ***United [States](#) includes only the [States](#) and the District of Columbia. See section 7701(a)(9). Accordingly, a court within***  
14 ***a territory or possession of the United [States](#) or within a foreign country is not a court within the United [States](#).***

15 The term "the States" as used above is further defined as follows:

16 *TITLE 4 - FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES*

17 *CHAPTER 4 - **THE STATES***

18 *[Sec. 110. Same; definitions](#)*

19 (d) *The term "State" includes any [Territory](#) or possession of the United States.*

20 Therefore, as a bare minimum, the statutory term "United States":

- 21 1. When used in its "geographic sense" ONLY is limited to federal territory not within the exclusive jurisdiction of any  
22 state of the Union.
- 23 2. Can also have a non-geographic meaning in which it refers to the "United States" as a legal person and a federal  
24 corporation.

25 [26 U.S.C. §7601](#) limits and defines enforcement of the Internal Revenue Code and discovery related to the enforcement *only*  
26 within the bounds of internal revenue districts. Any evidence gathered by the IRS outside the District of Columbia is  
27 UNLAWFULLY obtained and in violation of this statute, and therefore inadmissible. See *Weeks v. United States*, [232 U.S.](#)  
28 [383](#) (1914), which says that evidence unlawfully obtained is INADMISSIBLE.

29 [26 U.S.C. §7621](#) authorizes the President of the United States to define the boundaries of all internal revenue districts. The  
30 President delegated that authority to the Secretary of the Treasury pursuant to Executive Order 10289.

31 [TITLE 26 > Subtitle F > CHAPTER 78 > Subchapter B > § 7621](#)  
32 [§ 7621. Internal revenue districts](#)

33 (a) *Establishment and alteration*

34 *The President shall establish convenient internal revenue districts for the purpose of administering the internal revenue*  
35 *laws. The President may from time to time alter such districts.*

36 (b) *Boundaries*

37 *For the purpose mentioned in subsection (a), the President may subdivide any State, or the District of Columbia, or may*  
38 *unite into one district two or more States.*

1 By properly applying 26 U.S.C. §7621, we have conclusive, incontrovertible proof that the Internal Revenue Code is lawfully  
2 applicable only to the District of Columbia and the federal STATES (U.S. territories and U.S. possessions), such as Puerto  
3 Rico and Guam, to name just two.

4 The proof lies in the fact that the U.S.A. Constitution, which is the Supreme Law of the Land and is of a higher dignity than  
5 the Internal Revenue Code, makes it very clear in Article 4, Sec. 3, Cl. 1, that:

- 6 1. NO new Union State may be formed within the territorial jurisdiction of another Union State. . . and
- 7 2. NO new Union State may be formed by combining it with another Union State

8 . . .without first getting the prior consent of the State Legislatures and the U.S. Congress.

9 Now, within the federal zone, which is comprised of the District of Columbia, the U.S. territories and U.S. possessions, the  
10 President of the United States serves as the Chief Magisterial Officer.

11 The USA Constitution does not grant the President the legal authority to merge two or more Union states. By contrast, 26  
12 U.S.C. §7621 does grant the President the authority to subdivide any (federal) State.

13 And since in the hierarchy of Law the Constitution is superior to the Internal Revenue Code, and the Code gives the President  
14 authority to subdivide States, this can only mean that the so-called “States” referenced in 26 U.S.C. §7621 only refer to the  
15 federal “States” as per 26 U.S.C. §7701(a)(9) and (a)(10), Any other conclusion would be illogical and absurd.

16 Neither the President nor his delegate, the Secretary of the Treasury, may establish internal revenue districts outside of the  
17 “United States”, which is then GEOGRAPHICALLY defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10), [26 U.S.C. §7701\(a\)\(39\)](#),  
18 and [26 U.S.C. §7408\(d\)](#) to mean federal territory. This restriction is a result of the fact that the Constitution in Article 4,  
19 Section 3, Clause 2 only authorizes Congress to write rules and regulations for the territory and other property of the United  
20 States, and states of the Union are not “territory” of the United States:

21 *“Territories’ or ‘territory’ as including ‘state’ or ‘states.” While the term ‘territories of the’ United States may, under*  
22 *certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress*  
23 *“territory” does not include a [foreign state](#).*  
24 *[86 Corpus, Juris, Secundum (C.J.S.), Territories, §1 (2003)]*

25 Congress cannot delegate to the President or the Secretary an authority within states of the Union that it does not have.  
26 Congress has NO LEGISLATIVE JURISDICTION within a state of the Union.

27 *“It is no longer open to question that **the general government, unlike the states,** Hammer v. Dagenhart, [247 U.S. 251,](#)*  
28 *[275](#), 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, **possesses no inherent power in respect of the internal affairs of***  
29 ***the states; and emphatically not with regard to legislation.**“*  
30 *[Carter v. Carter Coal Co., [298 U.S. 238,](#) 56 S.Ct. 855 (1936)]*

31 Treasury Order No. 150-02 abolished all internal revenue districts except that of the District of Columbia. For proof, see:

[Treasury Order 150-02](#), Exhibit #04.014  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

32 Whether or not internal revenue districts have been established in states of the Union is a significant issue as the delegate of  
33 the Secretary has canvassing and other examination authority solely within internal revenue districts. See 26 U.S.C. §7601  
34 and 26 C.F.R. §601.101. If there are no internal revenue districts in states of the Union, the delegate of the Secretary does  
35 not have lawful authority to canvass and conduct examination functions within states of the Union. It follows that if there are  
36 no internal revenue districts in states of the Union, then all enforcement efforts that reach beyond geographical bounds of  
37 these districts are beyond lawful authority, whether the Internal Revenue Service is delegate of the Secretary of the Treasury  
38 for purposes of 26 U.S.C. §7701(a)(12)(A) or not.

39 If you would like to inquire about the boundaries of the nonexistent districts mentioned in this section, please refer to IRS  
40 Document 6295, available from the IRS at 800-829-3676.

## 7.6 Why the IRS Has NO Enforcement Authority Within States of the Union

The federal government enjoys NO legislative jurisdiction on land within the exterior limits of a state of the Union that is not its own territory. Several important authorities for this fact are as follows:

### 1. IRS Enforcement is limited to Internal Revenue Districts:

26 C.F.R. §601.101(a)

Within an internal revenue district the internal revenue laws are administered by a district director of internal revenue.

[SOURCE: <https://www.law.cornell.edu/cfr/text/26/601.101>]

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26 U.S. Code § 7601 - Canvass of districts for taxable persons and objects

(a) General rule

*The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, **through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax**, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.*

2. There are no longer any District Directors as indicated above in 26 C.F.R. §601.101(a).
3. There are NO Internal Revenue Districts in Constitutional states of the Union.
4. The ONLY remaining Internal Revenue District is in the District of Columbia.
5. IRS has arbitrarily created “Areas” and “Area Offices” to enforce within, but such Areas have NO LEGISLATIVE authority to exist and certainly none with a Constitutional state of the Union.
6. The U.S. Supreme Court has stated repeatedly that the United States federal government is without ANY legislative jurisdiction within the exterior boundaries of a sovereign state of Union:

*“The difficulties arising out of our dual form of government and the opportunities for differing opinions concerning the relative rights of state and national governments are many; **but for a very long time this court has steadfastly adhered to the doctrine that the taxing power of Congress does not extend to the states or their political subdivisions**. The same basic reasoning which leads to that conclusion, we think, requires like limitation upon the power which springs from the bankruptcy clause. *United States v. Butler, supra.*”*

[*Ashton v. Cameron County Water Improvement District No. 1, 298 U.S. 513, 56 S.Ct. 892 (1936)*]

*“It is no longer open to question that **the general government, unlike the states**, *Hammer v. Dagenhart, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.”**

[*Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)*]

If you meet with someone from the IRS, ask them whether the Internal Revenue Code qualifies as “legislation” within the meaning of the above rulings. Tell them you aren’t interested in court cases because judges cannot make law or create jurisdiction where none exists.

7. 40 U.S.C. §3112 creates a presumption that the United States government does not have jurisdiction unless it specifically accepts jurisdiction over lands within the exterior limits of a state of the Union:

TITLE 40 - PUBLIC BUILDINGS, PROPERTY, AND WORKS  
SUBTITLE II - PUBLIC BUILDINGS AND WORKS  
PART A - GENERAL  
CHAPTER 31 - GENERAL  
SUBCHAPTER II - ACQUIRING LAND  
Sec. 3112. Federal jurisdiction

(a) Exclusive Jurisdiction Not Required. - It is not required that the Federal Government obtain exclusive jurisdiction in the United States over land or an interest in land it acquires.

(b) Acquisition and Acceptance of Jurisdiction. - When the head of a department, agency, or independent establishment of the Government, or other authorized officer of the department, agency, or independent establishment, considers it desirable, that individual may accept or secure, from the State in which land or an interest in land that is under the

1 immediate jurisdiction, custody, or control of the individual is situated, consent to, or cession of, any jurisdiction over the  
2 land or interest not previously obtained. The individual shall indicate acceptance of jurisdiction on behalf of the  
3 Government by filing a notice of acceptance with the Governor of the State or in another manner prescribed by the laws  
4 of the State where the land is situated.

5 (c) Presumption. - It is conclusively presumed that jurisdiction has not been accepted until the Government accepts  
6 jurisdiction over land as provided in this section.

7 [SOURCE: [http://www4.law.cornell.edu/uscode/html/uscode40/uscode40\\_00003112----000-.html](http://www4.law.cornell.edu/uscode/html/uscode40/uscode40_00003112----000-.html)]

8 8. The Uniform Commercial Code defines the term “United States” as the District of Columbia:

9 *Uniform Commercial Code (U.C.C.)*  
10 § 9-307. LOCATION OF DEBTOR.

11 (h) [Location of United States.]

12 *The United States is located in the District of Columbia.*

13 [SOURCE:

14 [http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm#s9-](http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm#s9-307)  
15 [307\]](http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm#s9-307)

16 9. [Article 1](#), Section 8, Clause 17 of the Constitution expressly limits the territorial jurisdiction of the federal government  
17 to the ten square mile area known as the District of Columbia. Extensions to this jurisdiction arose at the signing of the  
18 Treaty of Peace between the King of Spain and the United States in Paris France, which granted to the United States  
19 new territories such as Guam, Cuba, the Philippines, etc.

20 10. The Internal Revenue Code, Subtitle A places the income tax primarily upon a “trade or business”. A “trade or  
21 business” as used within the Internal Revenue Code is a “word of art” and is defined ONLY as the “functions of a  
22 public office” in [26 U.S.C. §7701\(a\)\(26\)](#). See:

*The “Trade or Business” Scam*, Form #05.001

<http://sedm.org/Forms/FormIndex.htm>

23 11. [4 U.S.C. §72](#) limits the exercise of all “public offices” and the application of their laws to the District of Columbia and  
24 NOT elsewhere except as expressly provided by Congress.

25 [TITLE 4 > CHAPTER 3 > §72](#)

26 [§ 72. Public offices; at seat of Government](#)

27 *All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as*  
28 *otherwise expressly provided by law.*

29 12. One of the key words in 4 U.S.C. § 72 is the word “**expressly**.” When Congress extends the authority of any office or  
30 officer of the United States outside “the District of Columbia, and not elsewhere,” Congress will do it by “expressly”  
31 extending the Secretary’s authority and by leaving no doubt that said authority has been extended by Congress to a  
32 particular geographical area outside “the District of Columbia.” The definition of “expressly” from Black’s Law  
33 Dictionary, 6<sup>th</sup> Ed. is as follows:

34 *“expressly. In an express manner; in direct and unmistakable terms; explicitly; definitely; directly. St. Louis Union Trust*  
35 *Co. v. Hill, 336 Mo. 17, 76 S.W.2d. 685, 689. **The opposite of impliedly.** Bolles v. Toledo Trust Co., 144 Ohio.St. 195,*  
36 *58 N.E.2d. 381, 396.” (Emphasis added)*  
37 *[Black’s Law Dictionary, 6<sup>th</sup> Ed.]*

38 13. The U.S. Supreme Court expressly held that Congress may not establish a “trade or business”, and by implication a  
39 “public office”, in a state of the Union and tax it.

40 *“Congress cannot authorize a **trade or business** within a State in order to tax it.”*  
41 *[License Tax Cases, [72 U.S. 462](#), 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]*

42 14. The Supreme Court agrees that all jurisdiction must be conferred by Congress and not by the judiciary or “judge made  
43 law”:

44 *“Official powers cannot be extended beyond the terms and necessary implications of the grant. If broader powers be*  
45 *desirable, **they must be conferred by Congress.**”*  
46 *[Federal Trade Commission v. Raladam Co., 283 U.S. 643, 51 S.Ct. 587 (1931)(Emphasis added)]*



1 15. The IRS and the DOJ have been repeatedly asked for the statute which “expressly extends” the “public office” that is  
2 the subject of the tax upon “trade or business” activities within states of the Union. NO ONE has been able to produce  
3 such a statute because IT DOESN’T EXIST. There is no provision of law which “expressly extends” the enforcement  
4 of Subtitle A of the Internal Revenue Code to any state of the Union. Therefore, IRS jurisdiction does not exist there.

5 *“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is  
6 the exclusion of another. *Burgin v. Forbes*, 293 Ky. 456, 169 S.W.2d. 321, 325; *Newblock v. Bowles*, 170 Okl. 487, 40  
7 P.2d. 1097, 1100. *Mention of one thing implies exclusion of another. When certain persons or things are specified in*  
8 *a law, contract, or will, an intention to exclude all others from its operation may be inferred.* Under this maxim, if  
9 statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions  
10 or effects are excluded.”  
11 [*Black’s Law Dictionary, Sixth Edition, p. 581*]*

12 15.1. [48 U.S.C. §1612](#) and 48 U.S.C. §1397 expressly extend the enforcement of the criminal provisions of the Internal  
13 Revenue Code to the Virgin Islands and is the only enactment of Congress that extends enforcement of any part  
14 of the Internal Revenue Code to any place outside the District of Columbia.

15 15.2. 48 U.S.C. §1421i extends the internal revenue laws to Guam.

16 15.3. 48 U.S.C. §1801 extends the revenue laws to the Northern Mariana Islands.

17 16. The U.S. Supreme Court commonly refers to states of the Union as “foreign states”. To wit:

18 *We have held, upon full consideration, that although under existing statutes a circuit court of the United States has*  
19 *jurisdiction upon habeas corpus to discharge from the custody of state officers or tribunals one restrained of his liberty*  
20 *in violation of the Constitution of the United States, it is not required in every case to exercise its power to that end*  
21 *immediately upon application being made for the writ. ‘We cannot suppose,’ this court has said, ‘that Congress intended*  
22 *to compel those courts, by such means, to draw to themselves, in the first instance, the control of all criminal prosecutions*  
23 *commenced in state courts exercising authority within the same territorial limits, where the accused claims that he is held*  
24 *in custody in violation of the Constitution of the United States. The injunction to hear the case summarily, and thereupon*  
25 *‘to dispose of the party as law and justice require’ [R. S. 761], does not deprive the court of discretion as to the time and*  
26 *mode in which it will exert the powers conferred upon it. That discretion should be exercised in the light of the relations*  
27 *existing, under our system of government, between the judicial tribunals of the Union and of the states, and in recognition*  
28 *of the fact that the public good requires that those relations be not disturbed by unnecessary conflict between courts*  
29 *equally bound to guard and protect rights secured by the Constitution. When the petitioner is in custody by state authority*  
30 *for an act done or omitted to be done in pursuance of a law of the United States, or of an order, process, or decree of*  
31 *a court or judge thereof; or where, being a subject or citizen of a foreign state, and domiciled therein, he is in custody,*  
32 *under like authority, for an act done or omitted under any alleged right, title, authority, privilege, protection, or*  
33 *exemption claimed under the commission, or order, or sanction of any foreign state, or under color thereof, the validity*  
34 *and effect whereof depend upon the law of nations; in such and like cases of urgency, involving the authority and*  
35 *operations of the general government, or the obligations of this country to, or its relations with, foreign nations, [180*  
36 *U.S. 499, 502] the courts of the United States have frequently interposed by writs of habeas corpus and discharged*  
37 *prisoners who were held in custody under state authority. So, also, when they are in the custody of a state officer, it may*  
38 *be necessary, by use of the writ, to bring them into a court of the United States to testify as witnesses.’ Ex parte Royall,*  
39 *117 U.S. 241, 250, 29 S.L.Ed. 868, 871, 6 Sup.Ct.Rep. 734; Ex parte Fonda, 117 U.S. 516, 518, 29 S.L.Ed. 994, 6*  
40 *Sup.Ct.Rep. 848; Re Duncan, 139 U.S. 449, 454, sub nom. Duncan v. McCall, 35 L.Ed. 219, 222, 11 Sup.Ct.Rep. 573;*  
41 *Re Wood, 140 U.S. 278, 289, Sub nom. Wood v. Bursh, 35 L.Ed. 505, 509, 11 Sup.Ct.Rep. 738; McElvaine v. Brush, 142*  
42 *U.S. 155, 160, 35 S.L.Ed. 971, 973, 12 Sup.Ct.Rep. 156; Cook v. Hart, 146 U.S. 183, 194, 36 S.L.Ed. 934, 939, 13*  
43 *Sup.Ct.Rep. 40; Re Frederich, 149 U.S. 70, 75, 37 S.L.Ed. 653, 656, 13 Sup.Ct.Rep. 793; New York v. Eno, 155 U.S. 89,*  
44 *96, 39 S.L.Ed. 80, 83, 15 Sup.Ct.Rep. 30; Pepke v. Cronan, 155 U.S. 100, 39 L.Ed. 84, 15 Sup.Ct.Rep. 34; Re Chapman,*  
45 *156 U.S. 211, 216, 39 S.L.Ed. 401, 402, 15 Sup.Ct.Rep. 331; Whitten v. Tomlinson, 160 U.S. 231, 242, 40 S.L.Ed. 406,*  
46 *412, 16 Sup.Ct.Rep. 297; Iasigi v. Van De Carr, 166 U.S. 391, 395, 41 S.L.Ed. 1045, 1049, 17 Sup.Ct.Rep. 595; Baker*  
47 *v. Grice, 169 U.S. 284, 290, 42 S.L.Ed. 748, 750, 18 Sup.Ct.Rep. 323; Tinsley v. Anderson, 171 U.S. 101, 105, 43 S.L.Ed.*  
48 *91, 96, 18 Sup.Ct.Rep. 805; Fitts v. McGhee, 172 U.S. 516, 533, 43 S.L.Ed. 535, 543, 19 Sup.Ct.Rep. 269; Markuson v.*  
49 *Boucher, 175 U.S. 184, 44 L.Ed. 124, 20 Sup.Ct.Rep. 76.*  
50 [*State of Minnesota v. Brundage, 180 U.S. 499 (1901)*]

51 17. [The Federal Register Act, 44 U.S.C. §1505\(a\)](#), and the [Administrative Procedures Act, 5 U.S.C. §553\(a\)](#) both require  
52 that when a federal agency wishes to enforce any provision of statutory law within a state of the Union, it must write  
53 proposed implementing regulations, publish them in the Federal Register, and thereby give the public opportunity for  
54 “notice and comment”. Notice also that 44 U.S.C. § 1508 says that the Federal Register is the official method for  
55 providing “notice” of laws that will be enforced in “States of the Union”. There are no implementing regulations  
56 authorizing the enforcement of any provision of the Internal Revenue Code within any state of the Union, and therefore  
57 it cannot be enforced against the general public domiciled within states of the Union. See the following for exhaustive  
58 proof:

[IRS Due Process Meeting Handout](#), Form #03.008  
<http://sedm.org/Forms/FormIndex.htm>

1 18. Various provisions of law indicate that when implementing regulations authorizing enforcement have NOT been  
2 published in the Federal Register, then the statutes cited as authority may NOT prescribe a penalty or adversely affect  
3 rights protected by the Constitution of the United States:

4 [TITLE 5 > PART 1 > CHAPTER 5 > SUBCHAPTER II](#) > § 552  
5 [§ 552. Public information; agency rules, opinions, orders, records, and proceedings](#) § 1508. [Publication in Federal](#)  
6 [Register as notice of hearing](#)

7 *Except to the extent that a person has actual and timely notice of the terms thereof, **a person may not in any manner be***  
8 ***required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so***  
9 ***published.** For the purpose of this paragraph, matter reasonably available to the class of persons affected thereby is*  
10 *deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of*  
11 *the Federal Register.*

12  
13 [26 C.F.R. §601.702](#) *Publication and public inspection*

14 *(a)(2)(ii) Effect of failure to publish. Except to the extent that a person has actual and timely notice of the terms of any*  
15 *matter referred to in subparagraph (1) of this paragraph which is required to be published in the Federal Register, **such***  
16 ***person is not required in any manner to resort to, or be adversely affected by, such matter if it is not so published or is***  
17 ***not incorporated by reference therein pursuant to subdivision (i) of this subparagraph. Thus, for example, any such***  
18 ***matter which imposes an obligation and which is not so published or incorporated by reference will not adversely***  
19 ***change or affect a person's rights.***

20 19. 44 U.S.C. §1505(a) and 5 U.S.C. §553(a) both indicate that the only case where an enactment of the Congress can be  
21 enforced DIRECTLY against persons domiciled in states of the Union absent implementing regulations is for those  
22 groups specifically exempted from the requirement. These groups include:

23 19.1. A military or foreign affairs function of the United States. [5 U.S.C. §553\(a\)\(1\)](#).

24 19.2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. [5](#)  
25 [U.S.C. §553\(a\)\(2\)](#).

26 19.3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 U.S.C. §1505\(a\)\(1\)](#).

27 20. The Internal Revenue Code itself defines and limits the term “United States” to include only the District of Columbia  
28 and nowhere expands the term to include any state of the Union. Consequently, states of the Union are not included.

29 [TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.](#)  
30 [Sec. 7701. - Definitions](#)

31 *(a)(9) United States*

32 *The term "United States" when used in a geographical sense includes only the [States](#) and the District of Columbia.*

33 [\(a\)\(10\) State](#)

34 *The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry*  
35 *out provisions of this title.*

36 21. [26 U.S.C. §7601](#) limits and defines enforcement of the Internal Revenue Code and discovery related to the enforcement  
37 *only* within the bounds of internal revenue districts. Any evidence gathered by the IRS outside the District of  
38 Columbia is UNLAWFULLY obtained and in violation of this statute, and therefore inadmissible. See *Weeks v.*  
39 *United States*, [232 U.S. 383](#) (1914), which says that evidence unlawfully obtained is INADMISSIBLE.

40 22. [26 U.S.C. §7621](#) authorizes the President of the United States to define the boundaries of all internal revenue districts.

41 22.1. The President delegated that authority to the Secretary of the Treasury pursuant to Executive Order 10289.

42 22.2. Neither the President nor his delegate, the Secretary of the Treasury, may establish internal revenue districts  
43 outside of the “United States”, which is then defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10), [26 U.S.C.](#)  
44 [§7701\(a\)\(39\)](#), and [26 U.S.C. §7408\(d\)](#) to mean ONLY the District of Columbia. This restriction is a result of the  
45 fact that the Constitution in Article 4, Section 3, Clause 2 only authorizes Congress to write rules and regulations  
46 for the territory and other property of the United States, and states of the Union are not “territory” of the United  
47 States:

48 *"Territories' or 'territory' as including 'state' or 'states.'" While the term 'territories of the' [United States](#) may, under*  
49 *certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress*  
50 *"territory" does not include a [foreign state](#).*

22.3. Congress cannot delegate to the President or the Secretary an authority within states of the Union that it does not have. Congress has NO LEGISLATIVE JURISDICTION within a state of the Union.

*"It is no longer open to question that **the general government, unlike the states**, Hammer v. Dagenhart, [247 U.S. 251, 275](#), 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, **possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.**"*  
[Carter v. Carter Coal Co., [298 U.S. 238](#), 56 S.Ct. 855 (1936)]

23. [Treasury Order No. 150-02](#) abolished all internal revenue districts *except* that of the District of Columbia.
24. IRS is delegate of the Secretary in insular possessions, as "delegate" is defined at [26 U.S.C. §7701\(a\)\(12\)\(B\)](#), but NOT in states of the Union.

Based on all the above authorities:

1. The word "INTERNAL" in the phrase "INTERNAL Revenue Service" means INTERNAL to the federal government or the federal zone. This includes people OUTSIDE the federal zone but who have a domicile in the federal zone, such as citizens and residents abroad coming under a tax treaty with a foreign country, pursuant to 26 U.S.C. §911. It DOES NOT include persons domiciled in states of the Union. See:

[Why Domicile and Income Taxes are Voluntary](#), Form #05.002  
<http://sedm.org/Forms/FormIndex.htm>

2. The U.S. Supreme Court has confirmed that there is *no basis* to believe that any part of the federal government enjoys any legislative jurisdiction within any state of the Union, including in its capacity as a lawmaker for the general government. This was confirmed by one attorney who devoted his life to the study of Constitutional law below:

*"§79. [ . . . ] There cannot be two separate and independent sovereignties within the same limits or jurisdiction; nor can there be two distinct and separate sources of sovereign authority within the same jurisdiction. The right of commanding in the last resort can be possessed only by one body of people inhabiting the same territory, and can be executed only by those intrusted with the execution of such authority."*  
[Treatise on Government, Joel Tiffany, Form #11.207, p. 49, Section 78;  
SOURCE: <http://famguardian.org/Publications/TreatiseOnGovernment/TreatOnGovt.pdf>]

Our public dis-servants have tried to systematically destroy this separation using a combination of LIES, PROPAGANDA in unreliable government publications, and the abuse of "words of art" in the void for vagueness "codes" they write in order to hunt and trap and enslave you like an animal.

*But this is a people robbed and plundered;  
All of them are snared in [legal] holes, [by the sophistry of rebellious public "servant" lawyers]  
And they are hidden in prison houses;  
They are for prey, and no one delivers;  
For plunder, and no one says, "Restore!"  
Who among you will give ear to this?  
Who will listen and hear for the time to come?  
Who gave Jacob [Americans] for plunder, and Israel [America] to the robbers?  
**Was it not the LORD,**  
**He against whom we have sinned?**  
**For they would not walk in His ways,**  
**Nor were they obedient to His law.**  
Therefore He has poured on him the fury of His anger  
And the strength of battle;  
It has set him on fire all around,  
Yet he did not know;  
And it burned him,  
Yet he did not take it to heart.  
[Isaiah 42:22-25, Bible, NKJV]*

As conclusively proven herein, the United States Government is a voracious LIAR and PREDATOR. The Congress, the phantom IRS, and the corrupt Department of Justice, have repeatedly lied to and falsely imprisoned thousands of American's over the past 90+ years. Wake up people! If you want to know what your public servants have done and are doing, to systematically disobey and destroy the central tenets of the Constitution, and destroy your rights in the process, read the following expose:

Government Conspiracy to Destroy the Separation of Powers, Form #05.023  
<http://sedm.org/Forms/FormIndex.htm>

3. The PROPAGANDA you read on the IRS website that contradicts the content of this section honestly (for ONCE!) identifies itself as the equivalent of BUTT WIPE that isn't worth the paper it is printed on and which you can't and shouldn't believe. This BUTT WIPE, incidentally, includes ALL the IRS publications and forms:

*Internal Revenue Manual*  
4.10.7.2.7 (01-01-2006)

*IRS Publications*

*IRS Publications explain the law in plain language for taxpayers and their advisors. They typically highlight changes in the law, provide examples illustrating IRS positions, and include worksheets. Publications are nonbinding on the IRS and do not necessarily cover all positions for a given issue. **While a good source of general information, publications should not be cited to sustain a position.***  
*[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.7 (01-01-2006)]*

Note the use of the word "general" above. It is a maxim of law that "fraud lies hid in general expressions":

*"Fraus latet in generalibus. **Fraud lies hid in general expressions.***

*Generale nihil certum implicat. **A general expression implies nothing certain.** 2 Co. 34."*  
*[Bouvier's Maxims of Law, 1856; <https://famguardian.org/Publications/BouvierMaximsOfLaw/BouvierMaxims.htm>]*

4. If you want to know what constitutes a "reasonable source of belief" about federal jurisdiction in the context of taxation, please see the following. Note that it concludes that you CAN'T trust anything a tax professional or government employee or even court below the Supreme Court says on the subject of taxes, and this conclusion is based on the findings of the courts themselves!

Reasonable Belief About Income Tax Liability, Form #05.007  
<http://sedm.org/Forms/FormIndex.htm>

If you would like to know more about the subjects covered in this section, see:

Federal Jurisdiction, Form #05.018  
<http://sedm.org/Forms/FormIndex.htm>

## **8. Civil Service Status of IRS Employees**

Relevant to the creation of and existence of an agency of office, at the state level, it is a well-acknowledged and accepted rule that a duly constituted office of the state government must be created either by the state constitution itself, or else by some specific legislative act; see the following: (All emphasis added).

Patton v. Bd. Of Health, 127 Cal. 388, 393, 59 P. 702, 704 (1899) - "*One of the requisites is that the office must be created by the constitution of the state or it must be authorized by some statute.*"

First Nat. Bank of Columbus v. State, 80 Neb. 597, 114 N.W. 772, 773 (1908); State ex rel. Peyton v. Cunningham, 39 Mont. 197, 103 P. 497, 498 (1909); State ex rel. Stage v. Mackie, 82 Conn. 398, 74 A. 759, 761 (1909); State ex rel. Key v. Bond, 94 W.Va. 255, 118 S.E. 276, 279 (1923) - "*a position is a public office when it is created by law*";

Coyne v. State, 22 Ohio App. 462, 153 N.E. 876, 877 (1926) - "*Unless the office existed there could be no officer either de facto or de jure. A de facto officer is one invested with an office; but if there is no office with which to invest one, there can be no officer. An office may exist only by duly constituted law*".

State v. Quinn, 35 N.M. 62, 290 P. 786, 787 (1930); Turner v. State, 226 Ala. 269, 146 So. 601, 602 (1933); Oklahoma City v. Century Indemnity Co., 178 Okl. 212, 62 P.2d. 94, 97 (1936); State ex. rel. Nagle v. Kelsey, 102 Mont. 8, 55 P. 2d 685, 689 (1936); Stapleton v. Frohmler, 53 Ariz. 11, 85 P.2d. 49, 51 (1938); Buchholtz v. Hill, 178 Md. 280, 13 A.2d. 348, 350 (1940); Krawiec v. Industrial Comm., 372 Ill. 560, 25 N.E.2d. 27, 29 (1940); People v. Rapsy, 16 Cal.2d 636, 107 P.2d. 388, 391 (1940); Industrial Comm. v. Arizona State Highway Comm., 61 Ariz. 59, 145 P.2d. 846, 849 (1943); State ex rel.



1 Brown v. Blew, 20 Wash.2d. 47, 145 P.2d. 554, 556 (1944); Martin v. Smith, 239 Wis. 314, 1 N.W.2d. 163, 172 (1941);  
2 Taylor v. Commonwealth, 305 Ky. 75, 202 S.W.2d. 992, 994 (1947); State ex rel. Hamblen v. Yelle, 29 Wash.2d. 68, 185  
3 P.2d. 723, 728 (1947); Morris v. Peters, 203 Ga. 350, 46 S.E.2d. 729, 733 (1948); Weaver v. North Bergen Tp., 10 N.J. Super.  
4 96, 76 A.2d. 701 (1950); Tomaris v. State, 71 Ariz. 147, 224 P.2d. 209, 211 (1950); Pollack v. Montoya, 55 N.W. 390, 234  
5 P.2d. 336, 338 (1951); Schaeffer v. Superior Court in & for Santa Barbara County, 248 P.2d. 450, 453 (Cal.App. 1952);  
6 Brusnigham v. State, 86 Ga.App. 340, 71 S.E.2d. 698, 703 (1952); State ex rel. Mathews v. Murray, 258 P.2d. 982, 984 (Nev.  
7 1953); Dosker v. Andrus, 342 Mich. 548, 70 N.W.2d. 765, 767 (1955); Hetrich v. County Comm. of Anne Arundel County,  
8 222 Md. 304, 159 A.2d. 642, 643 (1960); Meiland v. Cody, 359 Mich. 78, 101 N.W.2d. 336, 341 (1960); Jones v. Mills, 216,  
9 Ga. 616, 118 S.E.2d. 484, 485 (1961); State v. Hord, 264 N.C. 149, 141 S.E.2d. 241, 245 (1965); Planning Bd. Of Tp. of  
10 West Milford v. Tp. Council of Tp. of West Milford, 123 N.J. Super. 135, 301 A.2d. 781, 784 (1973); Vander Linden v.  
11 Crews, 205, N.W.2d. 686, 688 (Iowa 1973); Kirk v. Flournoy, 36 Cal.App.3d. 553, 111 Cal.Rptr. 674, 675 (1974); Wargo v.  
12 Industrial Comm., 58 Ill.2d. 234, 317 N.E.2d. 519, 521 (1974); State v. Bailey, 220 S.E.2d. 432, 435 (W.Va. 1975); Leek v.  
13 Theis, 217 Kan. 784, 539 P.2d. 304, 323 (1975); Midwest Television, Inc. v. Champaign-Urbana Communications, Inc., 37  
14 Ill.App.3d. 926, 347 N.E.2d. 34, 38 (1976); and State v. Pickney, 276 N.W.2d. 433, 436 (Iowa 1979).

15 This same rule applies at the federal level; see United States v. Germaine, 99 U.S. 508 (1879); Norton v. Shelby County, 118  
16 U.S. 425, 441, 6 S.Ct. 1121 (1886) - "*there can be no officer, either de jure or de facto, if there be no office to fill*"; United  
17 States v. Mouat, 124 U.S. 303, 8 S.Ct. 505 (1888); United States v. Smith, 124 U.S. 525, 8 S.Ct. 595 (1888); Glavey v. United  
18 States, 182 U.S. 595, 607, 21 S.Ct. 891 (1901) - "*The law creates the office, prescribes its duties*"; Cochnower v. United  
19 States, 248 U.S. 405, 407, 39 S.Ct. 137 (1919) - "*Primarily we may say that the creation of offices and the assignment of  
20 their compensation is a legislative function. . . And we think the delegation of such function and the extent of its delegation  
21 must have clear expression or implication*"; Burnap v. United States, 252 U.S. 512, 516, 40 S.Ct. 374, 376 (1920); Metcalf  
22 & Eddy v. Mitchell, 269 U.S. 514, 46 S.Ct. 172, 173 (1926); N.L.R.B. v. Coca-Cola Bottling Co. of Louisville, 350 U.S. 264,  
23 269, 76 S.Ct. 383 (1956) - "*Officers' normally means those who hold defined offices. It does not mean the boys in the back  
24 room or other agencies of invisible government, whether in politics or in the trade-union movement*"; Crowley v. Southern  
25 Ry. Co., 139 F. 851, 853 (5<sup>th</sup> Cir. 1905); Adams v. Murphy, 165 F. 304 (8<sup>th</sup> Cir. 1908); Sully v. United States, 193 F. 185,  
26 187 (D.Nev. 1910) - "*There can be no offices of the United States, strictly speaking, except those which are created by the  
27 Constitution itself, or by an act of Congress, and, when Congress does so establish an inferior office*"; Commissioner v.  
28 Harlan, 80 F.2d. 660, 662 (9<sup>th</sup> Cir. 1935); Varden v. Ridings, 20 F.Supp. 495 (E.D.Ky. 1937); Annoni v. Blas Nadal's Heirs,  
29 94 F.2d. 513, 515 (1<sup>st</sup> Cir. 1938); and Pope v. Commissioner, 138 F.2d. 1006, 1009 (6<sup>th</sup> Cir. 1943).

30 An excerpt from a classified report prepared by the U.S. Government on the history of the IRS says the following about the  
31 civil service status of IRS employees:

32 D. Civil Service Status of Employees.

33 *None of the officials appointed by the President with the advice and consult of the senate are civil service employees.  
34 These include the Commissioner, the two assistant commissioners, the special Deputy Commissioner, the Assistant  
35 General Counsel for the Bureau of Internal Revenue and all collectors of internal revenue .*

36 *Under the terms of the Overman Act of 1913 deputy collectors of internal revenue were not covered by the civil service  
37 laws, and by 1939 practically all of the positions in the offices of the collectors were classified as deputy collectors.  
38 Accordingly, there were very few, civil service employees on the collectors' staffs . The employees of the internal revenue  
39 agents on the other hand are almost entirely civil service employees .*

40 *In 1934 the Civil Service Commission contended that clerks and other employees in the offices of the collectors should  
41 not be deputy collectors appointed outside the civil service. The Commissioner argued that the practice of the collectors  
42 was authorized by the Overman Act. On September 13, 1934 Mr. Oliphant, then General Counsel of the Treasury, wrote  
43 an opinion in which he concluded that it was not the intention of Congress that clerical help in collectors' offices be  
44 appointed deputy collectors, and thus be exempted from civil service requirements. It is not shown what action resulted  
45 from this opinion of the General Counsel.*

46 *In 1940 Congress authorized the President to issue executive orders covering into the civil service any offices or positions  
47 in the Executive branch. of the Government with certain specified exceptions . There were no exceptions affecting the  
48 Bureau of Internal Revenue, except that the executive orders could not affect officials appointed by the President with the  
49 advice and consent of the Senate.*

50 *On April 23, 1941 the President issued Executive Order 8743, which covered into the classified civil service all  
51 government employees not so covered, with certain state exceptions. Positions excepted from the classified civil service  
52 under Schedules A and B of the Civil Service Rules were not covered, by the Executive Order. These schedules make only  
53 one reference to employees of the Bureau of Internal Revenue, which is as follows:*



1 \*\*\*\* special employees for temporary detective work in the field service of the Bureau of Internal Revenue under the  
2 appropriation for detecting and bringing to trial and punishment persons violating the internal revenue laws.  
3 Appointment under this paragraph shall be limited to persons whose services are required because of individual  
4 knowledge of violations of the law, and such appointments shall be continued only so long as the personal knowledge  
5 possessed by the appointee of such violation makes his service necessary. \* \* \*

6 Accordingly, all positions in the Bureau of Internal Revenue, including deputy collectors, are now covered into the  
7 classified civil service with the exception of those officials appointed by the President with the consent of the Senate.  
8 [Declassified U.S. Government Report on the History of the Bureau of Internal Revenue, 1945, U.S. Government  
9 Archives;  
10 SOURCE: [http://famguardian.org/PublishedAuthors/Govt/IRS/Z\\_Secret.pdf](http://famguardian.org/PublishedAuthors/Govt/IRS/Z_Secret.pdf)]

## 11 **9. Can the IRS use the Treasury Seal?**

12 31 U.S.C. §333 makes it a federal crime to misuse or misrepresent the Treasury seal. The seal that the IRS uses is NOT the  
13 Treasury Seal, even though it looks similar. The IRS seals are published in the Federal Register and they do not look like the  
14 Treasury seals.

## 15 **10. What the Courts Say About IRS Authority**

16 **Citing irrelevant statutes, even repeatedly by the courts, will not create the IRS as an agency within the Department**  
17 **of the Treasury. Only an act of Congress can do that and it has chosen not to do that as of the date of publication of**  
18 **this document in 2008 A.D.**

### 19 **10.1 U.S. Supreme Court**

20 The 1979 United States Supreme Court's decision<sup>30</sup> confirmed these facts in *Chrysler Corp. v. Brown*, 441 U.S. 281, at FN  
21 23, which reads:

22 [Footnote 23] "***There was virtually no Washington bureaucracy created by the Act of July 1, 1862, ch. 119, 12 Stat.***  
23 ***432, the statute to which the present Internal Revenue Service can be traced. Researchers report that during the Civil***  
24 ***War 85% of the operations of the Bureau of Internal Revenue were carried out in the field - "including the assessing and***  
25 ***collection of taxes, the handling of appeals, and punishment for frauds" - and this balance of responsibility was not***  
26 ***generally upset until the 20th century. L. Schmeckebier & F. Eble, The Bureau of Internal Revenue 8, 40-43 (1923).***  
27 ***Agents had the power to enter any home or business establishment to look for taxable **property** and examine books of***  
28 ***accounts. Information was collected and processed in the field. It is, therefore, not surprising to find that congressional***  
29 ***comments during this period focused on potential abuses by agents in the field and not on breaches of confidentiality by***  
30 ***a Washington-based bureaucracy.***"

### 31 **10.2 Federal Circuit Courts**

32 The Supreme Court's research in *Chrysler* described in the previous section was confirmed 14 years later by United States  
33 Government Attorneys, in the case of *Diversified Metal Products Inc. v. T-Bow Co. Trust, Internal Revenue Service, & Steve*  
34 *Morgan*, Civil No. 93-405-E-EJL in the U.S. District Court, 7<sup>th</sup> Cir. (Dist. Idaho). An attorney named John M. Ohman of  
35 Idaho Falls, Idaho, filed an impleader action on behalf of Diversified Metal Products. In his complaint of stipulated facts, at  
36 ¶ 4 he averred as follows:

37 "*Defendant Internal Revenue Service (IRS) is an agency of the United States government(tm)*"

38 **The courts fraudulently claim the**

39 "*Secretary of the Treasury authorizes the Commissioner of Internal revenue to administer and enforce the Internal*  
40 *Revenue laws; notes that the Internal Revenue Service is a division of the Department of the Treasury*"

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<sup>30</sup> Reliance on Supreme Court decisions "requires people in their everyday affairs be able to rely on our decisions and not be needlessly penalized for such reliance. Cf. *Flood v. Kuhn*, 407 US 258, 283 (1972); *Wallace v. McConnell*, 13 Pet. 136, 150 (1839)." *Quoting U.S. v. Mason*, 412 U.S. 391, pp. 399-400 (1973).

[Quoting 10th Cir. 1992 No. 91-2109]

. . .but **NEVER** specifically cites any delegation of authority by the Secretary and always cites **an inapplicable section** of the Title 31 in hopes that the American people will not take notice.

In 1988, an IRS employee sued the IRS Commissioner for civil rights violations and the Sixth Circuit court of federal appeals dismissed the case because the Commissioner was not the proper party because not a “department”, “agency”, or “unit” within the government:

*Section 2000e-16(c) of Title 42 mandates who may be a proper defendant in civil actions brought by federal employees to enforce rights under Title VII of the Civil Rights Act of 1964, as amended, the Equal Employment Opportunity Act of 1972. That section provides that "the head of the department, agency, or unit, as appropriate, shall be the defendant." (emphasis added). **For the Commissioner of the Internal Revenue Service to be a proper defendant, therefore, we would have to conclude that the Internal Revenue Service is either a "department," "agency," or "unit." Resolution of this issue is purely a question of statutory interpretation.***

*The terms "department," "agency," and "unit," found in § 2000e-16(c), are defined in subsection (a) of § 2000e-16. Congress clearly intended these definitions found in subsection (a) to be incorporated into the mandatory requirements of subsection (c). Accordingly, "department" is defined in subsection (a) as "military departments as defined in § 102 of Title V." **Certainly, the Internal Revenue Service does not fit within the definition of a military department. In subsection (a), "unit" is defined as "those units of the Government of the District of Columbia having positions in the competitive service, and . . . those units of the legislative and judicial branches of the Federal Government having positions in the competitive service." It is without question that the Internal Revenue Service does not fit this definition and, therefore, cannot be characterized as a "unit."***

*Plaintiff's only remaining recourse is to argue that the Internal Revenue Service is an "agency" within the meaning of § 2000e-16(c). This term is defined, however, in subsection (a) as "executive agencies as defined in § 105 of Title V." "Executive agencies" are defined in 5 U.S.C. §105 (1970) as "an Executive Department, a Government corporation, [or] an independent establishment." Only if the Internal Revenue Service qualifies as an "executive department," a "government corporation" or an "independent establishment" can it be defined as an "agency" within the meaning of subsection (a) of § 2000e-16. Section 101 of 5 U.S.C. (1970) defines "Executive department" by listing the eleven cabinet-level departments. While the Department of the Treasury is listed, the Internal Revenue Service is not. **Thus, the Internal Revenue Service is not an "executive department." Section 104 of 5 U.S.C. (1970) defines "independent establishment" as "an establishment in the executive branch . . . which is not an Executive Department, Military Department, Government Corporation, or part thereof. . . ." Because the Internal Revenue Service is clearly a part of an executive department, the Department of Treasury, the Internal Revenue Service does not meet the definition of an "independent establishment." Finally, it is not and cannot be alleged that the Internal Revenue Service is a government corporation within the meaning of 5 U.S.C. § 105. Thus, the Internal Revenue Service is not an "agency" for the purpose of § 2000e-16.***

*On the basis of our analysis of the statutory language, which analysis parallels that of Stephenson v. Simon, 427 F.Supp. 467 (D. D.C. 1976), we conclude that plaintiff incorrectly named the Commissioner of the Internal Revenue Service as a defendant in this employment action. The only proper defendants in such actions are the heads of a "department, agency, or a unit" within the meaning of § 2000e-16. The proper defendant was not named in this action. Adherence to the statute's requirements is mandatory, and we are neither authorized nor inclined to ignore its mandate. [Hancock v. Egger, 848 F.2d. 87 (6th Cir. 1988)]*

### 10.3 Federal District Courts

In “United States Answer and Claim”, filed on November 18, 1993, U.S. Attorney, Betty H. Richardson verified for the public record that the IRS is **not** an agency of the U.S. Government in her response at ¶ 4 as follows:

*“The United States of America, through undersigned counsel hereby responds to the numbered paragraphs of plaintiffs complaint as follows:*

*¶4. **Denies that the Internal Revenue Service is an agency of the United States Government. . . .**” (Emphasis added.) [SOURCE: <http://fanguardian.org/Subjects/Taxes/Evidence/USGovDeniesIRS/USGovDeniesIRS.htm>]*

The courts even ridiculously cite the

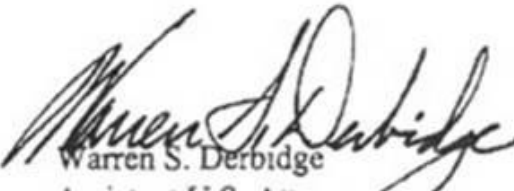
*“Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. No. 105-106, Title I, §1001, 112 Stat. 689 (1998); . . .” [Quoting USDC W.D. MI, So. Div. case No. 1:05-CV-201 (4-10-06) at 12]*

1 as yet still another authority for the creation of the IRS, when all this law did was give the Commissioner the authority to  
2 “reorganize” the IRS not “create” it, and **nothing** more!

3 **11. DOJ Has No Authority to Prosecute Tax Crimes Against Anyone other than**  
4 **the Government’s Own Officers and Employees**

The Department of Treasury is the agency, Internal Revenue Service is a bureau within Treasury. See also 5 United States Code § 105 which defines the term Executive agency and Hancock v. Egger, 848 F.2d 87 (6<sup>th</sup> Cir. 1988).

Sincerely,

  
Warren S. Derbidge  
Assistant U.S. Attorney

5  
6 Since the IRS is not an agency within the United States Government, **the DOJ has no apparent powers of attorney to**  
7 **represent the IRS in any federal court.** The responsibility of the Department of Justice is to prosecute individuals for  
8 violation of the tax code (not “law”, but “code”). Their authority is derived from 28 C.F.R. §0.70, which you can read for  
9 yourself at:

10 <http://squid.law.cornell.edu/cgi-bin/get-cfr.cgi?TITLE=28&PART=0&SECTION=70&TYPE=TEXT>

11 The U.S. Attorneys’ Manual (U.S.A.M.), Section 6-1.000 describes their lawful role in tax prosecutions, which is also  
12 available at our website at:

13 <http://famguardian.org/Publications/USAttyManual/title6/title6.htm>

14 The Department of Justice prosecutes tax crimes using a document called the Department of Justice, Tax Division, Criminal  
15 Tax Manual. The 1994 version of this document is posted on our website in its entirety for you to read and examine at  
16 <http://famguardian.org/>. The IRS relies on the Department of Justice to:

- 17 1. Decide whether a particular tax case should be litigated.  
18 2. Institute the litigation.  
19 3. Criminally prosecute against tax crimes which they have delegated authority to prosecute.

20 If you examine the U.S. Attorneys’ Manual, the Department of Justice has NO delegated authority to prosecute tax crimes  
21 involving U.S. citizens. Here is the section from their manual dealing with their authority to prosecute tax crimes involving  
22 the IRS:

23 *U.S. Attorneys’ Manual*  
24 *6-4.270 Criminal Division Responsibility*

25 ***The Criminal Division has limited responsibility for the prosecution of offenses investigated by the IRS. Those offenses***  
26 ***are: excise violations involving liquor tax, narcotics, stamp tax, firearms, wagering, and coin-operated gambling and***  
27 ***amusement machines; malfeasance offenses committed by IRS personnel; forcible rescue of seized property; corrupt or***  
28 ***forcible interference with an officer or employee acting under the internal revenue laws (but not omnibus clause); and***  
29 ***unauthorized mutilation, removal or misuse of stamps. See 28 C.F.R. Sec. 0.70.***

1 [Section 7801 of the Internal Revenue Code](#) concurs with the above description:

2 *Internal Revenue Code*  
3 *Sec. 7801. Authority of Department of the Treasury*

4 *(a) Powers and duties of Secretary*

5 *Except as otherwise expressly provided by law, the administration and enforcement of this title shall be performed by or*  
6 *under the supervision of the Secretary of the Treasury.*

7 *(b) Repealed. Pub. L. 97-258, Sec. 5(b), Sept. 13, 1982, 96 Stat. 1068, 1078)*

8 *(c) Functions of Department of Justice unaffected*

9 **Nothing in this section or section 301(f) of title 31 shall be considered to affect the duties, powers, or functions imposed**  
10 **upon, or vested in, the Department of Justice, or any officer thereof, by law existing on May 10, 1934.**

11 **QUESTION FOR DOUBTERS:** Do you see anything in the above authority of the DOJ relating to prosecuting tax crimes  
12 involving any of the following? We don't!:

- 13 1. Tax evasion of income taxes ([26 U.S.C. §7201](#))  
14 2. Frivolous returns ([26 U.S.C. §6702](#))  
15 3. Willful failure to file ([26 U.S.C. §7203](#))

16 You can confirm the conclusions of this section for yourself on the Internet. Section 9-4.139 of the Department of Justice,  
17 U.S. Attorneys' Manual (USAM) found on the DOJ website at:

18 [http://www.usdoj.gov/usao/eousa/foia\\_reading\\_room/usam/title9/4mcrm.htm#9-4.139](http://www.usdoj.gov/usao/eousa/foia_reading_room/usam/title9/4mcrm.htm#9-4.139)

19 has a listing of all of the statutes within the Internal Revenue code and the specific agency that has “investigative jurisdiction”  
20 for that statute. The agency with “investigative jurisdiction” is the agency responsible for enforcing a specific statute. All of  
21 the criminal provisions of the Internal Revenue Code are found in sections 7201 through 7209 of the Internal Revenue Code.  
22 In order to have investigative jurisdiction, an agency *must* write an implementing regulation that then creates the authority  
23 and the procedure to enforce a specific criminal provision upon a specific tax under the Internal Revenue Code. For instance,  
24 if there were an implementing regulation written by the IRS for Willful Failure to File for Subtitle A income taxes, the  
25 regulation number would be 26 C.F.R. §1.7203, but there is no such regulation! There are *no implementing regulations* for  
26 *any* tax crimes for Subtitle A income taxes. The consequence is that there is *no agency* with “investigative jurisdiction” to  
27 enforce the criminal provisions of the Internal Revenue Code against anyone other than the government’s own employees  
28 and officers. This conclusion is exhaustively proven by our memorandum of law below:

[Federal Enforcement Authority Within States of the Union, Form #05.032](http://sedm.org/Forms/FormIndex.htm)  
<http://sedm.org/Forms/FormIndex.htm>

29 The org chart for the IRS also confirms that the IRS is NOT an enforcement agency because it does not fall under the  
30 Undersecretary for Enforcement within the Department of the Treasury, as shown below:

31 <http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/TreasuryOrg.pdf>

32 Below was the entry under [26 U.S.C. §7201-7209](#) found within section 9-4.139 of the USAM as of February 2002, showing  
33 who has investigative authority for tax crimes under the Internal Revenue Code, repeated here for your benefit:

34 **Table 2: Agencies with investigative jurisdiction as of February 2002**

<i>Statute</i>	<i>Criminal Division Section</i>	<i>Telephone #</i>	<i>Agency with Investigative Jurisdiction</i>
7201-7209	All		None

1 This is a tacit admission by our government that no agency may enforce the criminal provisions of the Internal Revenue Code,  
2 which is another way of saying that no one is liable to pay this tax because it is in fact a donation. If the IRS or the DOJ do  
3 investigate crimes related to the Internal Revenue Code without the above authority or an implementing regulation, then they  
4 are acting unlawfully and have exceeded the authority delegated to them by the U.S. codes and the regulations that implement  
5 them which are written by the Secretary of the Treasury. They can be prosecuted for libel and any number of crimes if their  
6 illegal action causes you any kind of injury or expense.

7 Subsequent to the writing and publication of this section, the Department of Justice rewrote the above entry in their table.  
8 Sometime between February 2002 and July 2005, the entry was changed to read:

9 **Table 3: Agencies with investigative jurisdiction as of July 2005**

<i>Statute</i>	<i>Criminal Division Section</i>	<i>Telephone #</i>	<i>Agency with Investigative Jurisdiction</i>
7201-7209	All		I.R.S.

10 The above entry is fraudulent, because:

- 11 1. The same Department of Justice admitted that the IRS is NOT an agency of the federal government. See:

12 <http://famguardian.org/Subjects/Taxes/Evidence/USGovDeniesIRS/USGovDeniesIRS.htm>

13 The reason the IRS is not an agency of the federal government is that it isn't carrying out a constitutional function within  
14 the Union states and therefore it is an independent creation of Congress that only has jurisdiction over matters  
15 INTERNAL to the federal zone, as is shown throughout the Tax Fraud Prevention Manual, Form #06.008, Chapter 7.  
16 That is why they are called the INTERNAL Revenue Service to begin with. Even the IRS identifies itself NOT as an  
17 "agency", but a "bureau". See their document 7233 at the link below. Search for the word "bureau" and you will see  
18 what we mean:

19 [http://famguardian.org/PublishedAuthors/Govt/IRS/irs\\_75\\_years.pdf](http://famguardian.org/PublishedAuthors/Govt/IRS/irs_75_years.pdf)

- 20 2. There are not implementing regulations published in the Federal Register authorizing enforcement of I.R.C. Subtitle A  
21 against private persons in states of the Union. The only people the IRS can enforce against are federal instrumentalities  
22 in the District of Columbia, according to [44 U.S.C. §1505\(a\)\(1\)](#) and [5 U.S.C. §553\(a\)](#), who are the only groups that can  
23 be the target of penalties absent said publication.

24 Therefore, the DOJ is LYING in the new version U.S. Attorneys' Manual above, and they know it, because a U.S. Attorney  
25 basically admitted as much in the link above.

26 The DOJ's website confirms the fact that the IRS is **not** a federal agency by correctly providing the lawful definition of  
27 "agency" on its website.<sup>31</sup> It is presumed that "only" the Chief Counsel to the IRS (with the proper lawful delegation orders),  
28 as the Assistant Counsel to the Secretary of the Treasury under 31 U.S.C. §301(f)(2), has any lawful authority to represent  
29 the IRS in a federal territorial court. However, the DOJ 'does' have Congressional legislative authority to represent bona-fide  
30 federal agencies in appropriate courts. (See 28 U.S.C. §547)

31 On 3/16/08 the DOJ's website at:

<http://www.usdoj.gov/02organizations/>

<sup>31</sup> See <http://www.usdoj.gov/oip/1974definitions.htm#agency> for definition of "agency" as listed thereon as: "any Executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the [federal] Government (including the Executive Office of the President), or any independent regulatory agency." 5 U.S.C. §552a(1) (incorporating 5 U.S.C. §552(f) (2000), which in turn incorporates 5 U.S.C. §551(1) (2000)).



1 specifically listed the Act of Congress that created the Office of Attorney General as the “Judiciary Act of 1789, ch. 20, sec.  
2 35, 1 Stat. 73, 92-93 (1789)”, and that “Congress passed the Act to Establish the Department of Justice, ch. 150, 16 Stat. 162  
3 (1870) setting up as “an executive department of the government of the United States” with the Attorney General as its head.”  
4 Why then does this information NOT appear with regards to the Internal Revenue Service as a department of the United  
5 States government on any website?? BECAUSE IT WAS NEVER ESTABLISHED AS A GOVERNMENTAL ENTITY!!!

## 6 **12. What Congress Says About the IRS**

7 The most fascinating and impassioned debate about taxes we have found appears in the Congressional Record and was  
8 presented by Congressman Reeves of New York on June 2, 1870. Below is his very lucid definition of Congress’ authority  
9 to tax within states of the Union, and why the mis-enforcement and mis-representation of the income tax laws by the IRS is  
10 not authorized by the Constitution. We have highlighted the important parts to emphasize them:

11 *Income tax.*  
12 REMARKS OF HON. H. A. REEVES, OF NEW YORK,  
13 IN THE HOUSE OF REPRESENTATIVES,  
14 June 2, 1870,

15 *On the bill (H.R. No. 2015) to reduce internal taxes,*  
16 *and for other purposes.*

17 *Mr. REEVES. Mr. Speaker, I desire, in as brief a manner as possible, to state some considerations which constrain me to*  
18 *vote for the motion of my colleague [Air. MCCARTHY] to strike out the provisions of this bill relating to the income tax.*  
19 *Having on yesterday voted to reduce this tax from five to three per cent., I am unwilling to let that vote stand open to the*  
20 *inference that I approve the principle of such a tax, and merely favor its reduction to a lower figure from prudential or*  
21 *political motives.*

22 *I oppose its theory and its practice, its principle as well as its policy, and shall so vote. The main controlling reason that*  
23 *sways my judgment is one to which comparatively little attention, incidental allusion only, has been given in the discussion*  
24 *on either side of this question, as, indeed, unhappily seems to be the case with many other questions that come before this*  
25 *House. It relates to the constitutional power of Congress to enact such a law. The fact that it was enacted by a previous*  
26 *Congress, and has continued in force from that time to this, annually extorting vast sums of money from the pockets of*  
27 *"a favored few," whom the caprice of fortune happened to have endowed with a surplus of filthy lucre over and above*  
28 *an arbitrary limit, and with the rare honesty to tell the truth when pressed in the close embrace of the internal revenue's*  
29 *"Black Maria," does not in the least remove this constitutional difficulty, does not confer on the present Congress the*  
30 *smallest modicum of new power, and does not in any degree lessen the duty incumbent on all honest legislators to carefully*  
31 *examine the warrant and measure of the power they are invited to exercise. We have before us in the pending bill*  
32 *provisions for reenacting and enforcing the income tax substantially in the same form and upon the same basis as when*  
33 *it was first created by the fiat of Congress.*

34 *The increase in the amount of exemption from ten to fifteen hundred dollars, which is the only really new feature in*  
35 *this bill, while it diminishes the number of those upon whom the law takes effect, does not alter or affect the principle or*  
36 *lack of principle involved in its original enactment. If from the first it was a usurpation, void of any constitutional*  
37 *authority, it remains just the same now, for the Constitution has not in the interim been "amended" so as to bestow*  
38 *on Congress any new grant of power in respect to taxation. What, then, did and does the Constitution provide touching*  
39 *this vital matter of laying and collecting taxes, this supreme power over the purse of the people, second only in the*  
40 *attributes of delegated authority to that control over the lives of the people which results from the undoubted right to*  
41 *declare war and conclude peace? Does the Constitution authorize Congress to levy a tax on incomes?*

42 *I maintain that it does not; and I am persuaded that had this question been fairly presented to the Supreme Court of*  
43 *the United States, judicially constituted, it would have been definitely settled in the negative. What says the Constitution*  
44 *upon the subject of taxation? There are but four places in the Constitution, and none in the articles of amendment*  
45 *thereto, where the subject of taxation is treated, namely, clause three of section two of article one; clause one of section*  
46 *eight of article one; clauses four and five of section nine of article one; and clause two of section ten of article one. A*  
47 *careful analysis and comparison of these provisions leaves no doubt on my mind that the existing tax on incomes, which*  
48 *it is proposed to reenact, does not fall within the enumerated or clearly-implied powers of Congress, and is therefore*  
49 *absolutely void. Let us examine these various provisions of the Constitution in the order in which they stand in that*  
50 *instrument.*

51 *The third clause of section two of the first article reads as follows:*

52 *“Representatives and direct taxes shall be apportioned among the several States which may*  
53 *be included within this Union according to their respective numbers, which shall be*  
54 *determined by adding to the whole number of free persons, including those bound to service for*  
55 *a term of years, and excluding Indians not taxed, three fifths of all other persons.”*

1 *The rest of the clause relates to the mode of taking the census, &c. This is an affirmative and peremptory regulation*  
2 *of the mode of levying direct taxes, and commands that they shall in all cases be apportioned among the States*  
3 *according to population. Section eight, which specifies the particular powers of Congress, the primary powers from*  
4 *which secondary ones are implied, under the provision that Congress shall have the right "to make all laws which*  
5 *shall be necessary and proper for carrying into execution the foregoing powers," in its first clause says:*

6 *"To lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for*  
7 *the common defense and general welfare of the United States; but all duties, imposts, and excises*  
8 *shall be uniform throughout the United States."*

9 *This is an explicit limitation as to duties, imposts, and excises, that their operation shall be uniform throughout the*  
10 *country, and the reason that the word "taxes" does not occur in the limitation. as it does in the grant of power to lay*  
11 *and collect, is manifestly because of the distinction already made between direct and indirect taxes, the former of which*  
12 *had been ordered to be apportioned "among the several States" according to population, while the latter alone were*  
13 *to be made "uniform throughout the United States."*

14 **Duties are charges laid upon goods exported, imported, or consumed; imposts**  
15 **are charges laid upon products of industry, and are generally applied only to**  
16 **commodities when imported into a country; and excises are charges laid upon**  
17 **franchises or licenses to carry on particular lines of trade or branches of busi-**  
18 **ness. Congress has the clear constitutional right to lay and collect charges of**  
19 **these sorts; but if it does so the law must have a uniform operation in all the**  
20 **States; there must be no exceptional privileges to one section, no favoritism to**  
21 **one class; all sections and all classes must share alike in the burdens as well as**  
22 **the benefits of the General Government. Congress also has, under this same**  
23 **clause, an equally clear right to "lay and collect taxes," meaning by that**  
24 **significant little word, "direct" taxes, for no other are referred to in the**  
25 **Constitution; but it is bound to see that such taxes, whenever laid and collected,**  
26 **shall be "apportioned among the several States according to their respective**  
27 **numbers."**

28 *Section nine, which specifically circumscribes, defines, and restrains the powers of Congress, in its fourth clause*  
29 *ordains :*

30 *"No capitation or other direct tax shall be laid, unless in proportion to the census or*  
31 *enumeration hereinbefore directed to be taken."*

32 *This is a repetition, with redoubled emphasis, of the restriction contained in the third clause of the second section,*  
33 *before referred to, and makes it absolutely certain that no direct tax can be levied by Congress except in pro-portion to*  
34 *population. Clause five of section nine forbids Congress from levying a tax or duty "on any article exported from any*  
35 *State." Clause two of section ten prohibits the State from laying "any imposts or duties on imports or exports, except*  
36 *what may be absolutely necessary for executing its inspection laws;" and also from levying any "duty of tonnage."*

37 **These are all the provisions of the Constitution in relation to taxation. Do they**  
38 **severally or collectively authorize Congress today a tax on incomes? What kind**  
39 **of a tax is it? If a direct tax, within the meaning of the Constitution, it must be**  
40 **apportioned according to population. Is it thus apportioned? Nobody so**  
41 **pretends.** *A reference to the last published report of the Commissioner of Internal Revenue will demonstrate that it*  
42 *was not apportioned according to population. From that suggestive document it appears that the State of New York paid*  
43 *on account of the income tax for the year 1868 the sum of \$10,726,769 21, while the State of Ohio paid for the same*  
44 *period \$2,039,588 99. By the census of 1860 New York had a population of 3,880,735, while Ohio had a population of*  
45 *2,339,511.*

46 *Assuming that this income tax had been apportioned according to population, and that the amount collected from the*  
47 *people of Ohio was in just accordance with the unit of apportionment, whatever that might be, then the amount levied*  
48 *upon the people of New York should have been less than three and a half millions instead of almost ten and three quarters*  
49 *millions ; or, to take the reverse of the hypothesis, if the amount collected from the people of New York was according to*  
50 *the unit of measurement, Ohio ought to have paid nearly six and a half millions instead of a little over two millions.*  
51 *Similar analogies, or antitheses rather, yet more striking than that afforded by this parallel between New York and Ohio,*  
52 *might be drawn from the same full repertory of official testimony to the inequality, the injustice, and the utter*

1 incompatibility of this tax with the provision of the Constitution that all direct taxes shall be according to numbers; but it  
2 would be useless. No one contends that the income tax is apportioned according to numbers, and no proofs are needed to  
3 show that it is not so apportioned. It only remains to consider whether it is a direct tax within the meaning of the  
4 Constitution.

5 **To the determination of such a question no surer test can be applied than that**  
6 **which is supplied by the Constitution itself, to wit: can the tax be apportioned**  
7 **among the several States according to numbers? I maintain that it can and**  
8 **ought to be so apportioned, if laid at all; and this appears to be clear from a**  
9 **consideration of the important and most suggestive words among the**  
10 **several States," in connection with and direct sequence to the words "**  
11 **shall be apportioned."** These words are evidently inseparable, and in any  
12 **complete view of the question must be taken together. Taking them**  
13 **together, they can be construed in no other sense than as forming the**  
14 **substantive proposition of the sentence, which is qualified as a whole, and**  
15 **not in its separate parts, by the subsequent words "according to their**  
16 **respective numbers."** It follows, therefore, that any tax which is  
17 **susceptible of apportionment, not among individual citizens of the States,**  
18 **but among the States themselves, in just proportion to their respective**  
19 **population, is a direct tax, and must be so apportioned as the Constitution**  
20 **directs.**

21 *Is the income tax of that character? The only ground for doubt is the element of uncertainty as to the amount which such*  
22 *a tax may yield. Because the net income of the country cannot be determined in advance, and because we could not tell*  
23 *beforehand what the tax arbitrarily proposed to be assessed against that income would amount to, it seems to have been*  
24 *assumed that the tax could not be apportioned according to population. If the Constitution provided for an apportionment*  
25 *among individuals this would be true, and would constitute a valid defense of the tax against any such objection; but we*  
26 *have seen that the apportionment must be "among the several States," in the doing of which there would be found no*  
27 *impossibility and no serious difficulty. All the data requisite for a fair, safe, and correct estimate of the income reasonably*  
28 *certain to accrue from the active business and the invested wealth of the country are at hand, and are sufficient to fix the*  
29 *aggregate revenue to be derived from that source. This done, the apportionment becomes simply a matter of arithmetic,*  
30 *of easy calculation.*

31 *If the maximum sum of \$25,000,000 were to be raised under the head of a tax on incomes the proportion which the*  
32 *population of any State bears to the whole population fixes the amount to be collected from that State. Then, if we remit*  
33 *the collection to the States, abolishing the Federal machinery now in use, each State will collect its share in whatever*  
34 *mode it may prefer, and pay over to the Federal Treasury the whole sum assessed upon it, free from any deductions on*  
35 *account of expense of collection-certainly a great saving over the present system, which costs nearly or quite twenty-five*  
36 *per cent. This would be a truly equal and equitable, a truly effective and economical method of direct taxation for Federal*  
37 *purposes; it would comply strictly with the constitutional requirement ; it would exactly accord with the spirit and*  
38 *intent of the framers of that instrument, whose great object was to devise a scheme of Government the operation of*  
39 *which should, above every other attribute, bear equally upon all the people of all the States.*

40 **Taxation, or the power of compelling the people to part with some of their possessions for the purpose of being**  
41 **protected in the enjoyment of the remainder, was a subject which they had pondered deeply and had mastered in all**  
42 **its comprehensive extent and bearing. All the ordinary protection which organized society needs being afforded by the**  
43 **existing State governments, they had only to provide means for enabling the Federal agency of the States to perform**  
44 **its intended functions. This they did in the clauses of the Constitution which I have cited. In my judgment no**  
45 **candid mind can examine those provisions and compare them with the whole scope and body of the instrument without**  
46 **coming to the conclusion that the power conferred on Congress to lay and collect taxes is both expressly and impliedly**  
47 **limited to "direct" taxes ; that, in brief, the word tax, wherever it occurs in the Constitution, means a "direct" tax,**  
48 **and that, as equality (the grand, distinguishing element of the Constitution) could only be maintained by dividing the**  
49 **burdens it imposes among all the States according to population, it was appointed so to be done in terms as**  
50 **explicit as could well be used.**

51 **No one then dreamed of spreading a network of Federal tax-gatherers**  
52 **over the land more numerous and more wasting than the "swarm" which**  
53 **the colonists complained had been sent from Great Britain to "harass the**  
54 **people and eat out their substance ;" it was never contemplated that**  
55 **Congress should lay its grasping hands on the earnings of business or**

1 **the gains of capital for any purpose whatever, and certainly nobody dared**  
2 **imagine that, should such a bold stretch of Federal authority ever be**  
3 **exercised, it would seek to execute itself without regard to the clear**  
4 **directions of the very instrument on which alone it could rely for its**  
5 **warrant.**

6 I stop not now to discuss the flagrant injustice of a tax on the earnings of business, be they more or less ; the inequality  
7 of a tax on the gains of accumulated capital which, how-ever fair and just in theory, is incapable of being reduced to  
8 practical effect without inflicting gross wrongs on individuals; the inquisitorial, odious, and tyrannical character of  
9 an income tax, however apportioned and levied ; nor any of the other grave objections which have been so well  
10 presented and illustrated by others. **For me it is enough to be convinced that such a tax is at variance with the spirit**  
11 **and letter of the Constitution.** That view of the question once fixed in my mind, I am concluded from any incidental  
12 consideration of advantages or disadvantages that may attend the proposed measure. But one course lies before me, and  
13 that leads straight to the vote I shall cast.

14 In this connection I only need to glance at another aspect of the question confirmatory of the one I have already  
15 taken and susceptible of being put into the compact and concise form of a syllogism whose cogency countervails the  
16 necessity for further argument.

17 Income is derived from two sources, earnings and invested capital. In either case, when considered as a basis for  
18 taxation, it is inseparably associated with, and in greater or less part is made up from the rents, gains, or profits of  
19 land. **A tax on incomes is therefore, in substance and in fact, a tax on land.** There may be, as we know there are,  
20 individuals who do not own a foot of land, and a tax on whose income would in no sense involve the idea of taxing lands;  
21 but this can be said of a few only out of the mass of those whose incomes are subject to tax; indeed a large, if not  
22 the largest, part of the taxed incomes in this country comes from the rents, gains, or profits of land. **Now, it has**  
23 **been distinctly and repeatedly held that a tax on lands is a "direct" tax such as the Constitution requires to be**  
24 **apportioned "among the several States," as much so as the capitation tax itself. Hence, the income tax, involving as**  
25 **it inevitably does the principle of taxing lands, is a "direct" tax. Being a direct tax, it must be apportioned as the**  
26 **Constitution commands. But it is not so apportioned. Therefore the tax is unconstitutional, and should be immediately**  
27 **abrogated.**

28 **I know, Mr. Speaker, it may appear presumptuous for one little versed in the subtleties of dialectics, much less in**  
29 **the maxims and canons of constitutional interpretation, to essay an argument of this kind, based solely upon**  
30 **a construction of the Constitution. But I am profoundly impressed with the belief that the great men who framed**  
31 **our Constitution meant to make it so plain that even the most unlettered need not err as to its meaning, and that one**  
32 **of its cardinal merits is this very fact that they did succeed in imbedding the immortal principles of civil and**  
33 **religious liberty, which filled their own minds, in language at once so simple, so perspicuous, so nervous, and so**  
34 **strong as could neither be washed away by sophistry nor broken down by the weight of glosses and critical**  
35 **emendations.**

36 It is in the light of this plain, common sense understanding of the Constitution that I have attempted to explore  
37 its meaning with respect to the question of taxation. **I also know that it is unfashionable and unusual in**  
38 **this revolutionary period to even refer to a document whose precepts, once sacred, have now become almost**  
39 **obsolete; that he who avows devotion to the fundamental source of all power in a free government, the**  
40 **will of the people embodied in a written constitution, is too apt to be stigmatized as obstructive,**  
41 **unprogressive, old-foggy, or by still harsher terms ; that partisan malevolence even sees "disloyalty" in a**  
42 **text and "treason" in a paragraph from the grand gospel of our American freedom.**

43 **Be it so. I gladly accept the odium and proudly wear the brand which**  
44 **attaches to the unwavering few who still uplift the banner of "the**  
45 **Constitution as it was;" the integrity of the Union which our fathers**  
46 **established, and which, administered in the spirit of its authors, for**  
47 **seventy years poured manifold blessings upon all the people; the**  
48 **sovereignty of the States as the creators of the new political system then**  
49 **established, which, allowed to distribute harmoniously its beneficent**  
50 **influences, expanded the few and feeble members of the Confederacy into**  
51 **the august proportions of a mighty republic of republics; the supremacy**  
52 **and undivided rule of the superior white race-in fine, all the glorious truths**  
53 **of the earlier and purer days of American democracy, before "new lights"**  
54 **had risen to shed their baleful glare over a land till then united, free, and**  
55 **happy; before sectional passions had been organized to do their devil's**



1 *work of alienation and distrust; before fanaticism and folly had combined*  
2 *to rend asunder the silken cords of fraternal affection and mutual esteem*  
3 *which held us together with bands infinitely stronger than "hooks of*  
4 *steel."*

5 *In those days debt and taxation, bonds and bondholders, were figments of*  
6 *the imagination, not the tremendous realities which now confront us ; in*  
7 *those days peace, real peace, prosperity, real prosperity, liberty, real*  
8 *liberty, sat triply throned in our midst and held their scepter of bounty and*  
9 *blessing over thirty million freemen. If to wish those halcyon days back*  
10 *again, with all the "sin and shame" which a maudlin sentimentality*  
11 *affected to find in their train, be doughfacism or demagogery or anything*  
12 *most obnoxious to "loyal" sensibilities, I glory to be so denounced.*

13 *[Congressional Globe, 41<sup>st</sup> Congress, Second Session, June 2, 1870, pp. 446-447, emphasis added. You*  
14 *can view the original version of this document yourself at:*

15 <http://famguardian.org/TaxFreedom/Evidence/Congressional/CongGlobe-pp446-447.pdf>

### 16 **13. Name of "IRS" Originally Didn't Come from Any Law. It was MADE UP**

17 In 1972, an Internal Revenue Manual (I.R.M.), Section 1100 was published in both the Federal Register and the Cumulative  
18 Bulletin; see 37 Fed Reg. 20960, 1972-2 Cum. Bul. 836. On the very first page of this statement published in the bulletin, the  
19 following admission was made. (We have emphasized the significant sections):

20 *"(3) By common parlance and understanding of the time, an office of the importance of the Office of Commissioner of*  
21 *Internal Revenue was a bureau. The Secretary of the Treasury in his report at the close of the calendar year 1862 stated*  
22 *that 'The Bureau of Internal Revenue has been organized under the Act of the last session....' Also it can be seen that*  
23 *Congress had intended to establish a Bureau of Internal Revenue, or thought they had, from the act of March 3, 1863, in*  
24 *which provision was made for the President to appoint with Senate confirmation a Deputy Commissioner of Internal*  
25 *Revenue 'who shall be charged with such duties in the bureau of internal revenue as may be prescribed by the Secretary*  
26 *of the Treasury, or as may be required by law, and who shall act as Commissioner of internal revenue in the absence of*  
27 *that officer, and exercise the privilege of franking all letters and documents pertaining to the office of internal revenue.'*  
28 *In other words, 'the office of internal revenue' was 'the bureau of internal revenue,' and the act of July 1, 1862 is the*  
29 *organic act of today's Internal Revenue Service."*

30 *[Federal Register and the Cumulative Bulletin; see 37 Fed Reg. 20960, 1972-2 Cum. Bul. 836;*

31 *SOURCE: <http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/37FR20960-20964-OrgAndFunctions.pdf>]*

32 This statement, which appears again in a similar publication appearing at 39 Fed.Reg. 11572, 1974-1 Cum. Bul. 440, as well  
33 as the current Internal Revenue Manual (I.R.M.), Section 1100, essentially admits that Congress never created either the  
34 Bureau of Internal Revenue, or the Internal Revenue Service. To conclude that *"it can be seen that Congress had intended to*  
35 *establish a Bureau of Internal Revenue, or thought they had"* (see Internal Revenue Manual (I.R.M.), Section 1111.2 - Organic  
36 Act) (Emphasis added) - is an admission that even the government itself cannot find anything whatsoever which actually  
37 created either agency. The only office created by the act of July 1, 1862, was the Office of the Commissioner of Internal  
38 Revenue (*not* the Commissioner of Internal Revenue Service); neither the Bureau of Internal Revenue, nor the "Internal  
39 Revenue Service" was created by any of these acts.

40 We have no doubt that, when the employees of the "Internal Revenue Service", and, perhaps others, were researching the  
41 origins of the so-called agency so that this statement could be included in the Internal Revenue Manual (I.R.M.), Section  
42 1100, that these employees and other people must have performed a very thorough and exhaustive investigation. We are sure  
43 that the position of the "Internal Revenue Service" regarding how the alleged "Internal Revenue Service" came into being is  
44 the best that could be written under these circumstances.

45 However, besides the problem that these acts simply did not create either the "Bureau of Internal Revenue" or the "Internal  
46 Revenue Service", there exists the fact that these acts were repealed by the adoption of the Revised Statutes of 1873.  
47 Therefore, it would appear that the IRS has never actually been created by any act of Congress. This is obviously a serious  
48 flaw, and creates some valid and serious legal problems.



1 Furthermore, we have discovered the following: There was an entity known as the "Bureau of Internal Revenue" which was  
2 renamed "Internal Revenue Service", as revealed by Department of Treasury Order 150-06, dated July 9, 1953, (see below)  
3 and further, by Treasury Decision 6038, entitled "Change of Nomenclature". However, an examination of the General  
4 Records of the Department of the Treasury (Record Group 56) 1789-1990, 56.1, Administrative History, from the National  
5 Archives and Record Administration reveals that no agency/entity called "Bureau of Internal Revenue" is listed in the "Former  
6 administrative units of the Treasury Department". In addition, the National Archives and Record Administration states:

7 *"The Tax Act of 1862 authorized a permanent internal revenue establishment, the Office of the Commissioner of Internal*  
8 *Revenue, which supervised a network of district collectors and assessors and other field agents, and which was informally*  
9 *known as the Bureau of Internal Revenue. It was formally redesignated the IRS, 1953." (Emphasis added.)*

10 "Informally known" means that no such agency was ever statutorily created, and that an "informally known" nickname was  
11 renamed ("redesignated") "IRS" in 1953.

12 We have also located the following documents: 27 C.F.R. §201, which is entitled "Short title", is cited as the "Federal Alcohol  
13 Administration Act." In § 201, under HISTORY: ANCILLARY LAWS AND DIRECTIVES, is found the following:

14 *"Transfer of functions:*

15 *Federal Alcohol Administration and offices of members and Administrator thereof were abolished and their functions*  
16 *directed to be administered under direction and supervision of Secretary of Treasury through Bureau of Internal Revenue*  
17 *[now Internal Revenue Service] in Department of Treasury, by Reorg. Plan No. 3 of 1940 which appears as 5 U.S.C.S.*  
18 *§903 note... The Department of the Treasury Order 221 of July 1, 1972, established the Bureau of Alcohol, Tobacco and*  
19 *Firearms and transferred to it the alcohol and functions of the Internal Revenue Service." (Emphasis added.)*

20 The last sentence of the above section clearly states that "the functions" of the Internal Revenue Service were "transferred"  
21 to the Bureau of Alcohol, Tobacco and Firearms when the BATF was established. The term used in this cite is "the functions",  
22 not "some of the functions", or "certain functions", or any other term which would imply a limited transfer of specific, limited  
23 functions. The use of the all-inclusive term "the functions" thus implies that all functions of "IRS" were transferred to BATF  
24 upon BATF's establishment. If all of the functions" of "IRS" were transferred to BATF upon BATF's establishment, then  
25 which specific "functions" does "IRS" handle at present, if any?

26 The IRS's website **can therefore only be meant to intentionally deceive the public for illicit purposes about the history**  
27 **of the IRS, for Congress did NOT create a Bureau of Internal Revenue in 1862, or later!** It also should be noted that on  
28 the IRS website can be found:

29 *"1953 - President Eisenhower endorsed Truman's reorganization plan and changed the name of the agency from the*  
30 *Bureau of Internal Revenue to the Internal Revenue Service."*  
31 *[Historical Highlights of the IRS, Internal Revenue Service; [https://www.irs.gov/newsroom/historical-highlights-of-the-](https://www.irs.gov/newsroom/historical-highlights-of-the-irs/)*  
32 *[irs/](https://www.irs.gov/newsroom/historical-highlights-of-the-irs/)*

33 . . .but what is **not** mentioned is that the renaming was performed by a mere **stroke of a pen** by Secretary of the Treasury,  
34 G.K. Humphrey, who authored Treasury Order No. 150-06 "without" the consent or delegated authority of Congressional  
35 through statutory enactment to support the unchallenged (illegal) maneuver. Humphrey intended to turn a **pure trust** of either  
36 the Philippines (Trust #2-internal revenue) or the **pure trust** of Puerto Rico (Trust #62-Internal Revenue) into a department  
37 within the Department of the Treasury **without the Legislature's statutory backing**. The records are well  
38 hidden, which makes it impossible to determination just which Bureau was targeted and used by Humphrey.

39 Also in 31 U.S.C. §1321, the list of Trust Funds maintained by the Treasury, we have found the following: Section 1321(2)  
40 and 1321(62) are named respectively as follows:

41 *"(2) Philippine special fund (internal revenue).*

42 *(62) Puerto Rico special fund (Internal Revenue)."*

43 Again, we find a reference to the Philippines (and Puerto Rico - see below, 27 C.F.R. §250.11), with the words "internal  
44 revenue" (and "Internal Revenue") used to define the Philippines and Puerto Rico respectively. And the spelling and  
45 capitalization of the two terms is the only thing which indicates which is the Philippine and which the Puerto Rico special  
46 fund.

Speaking of the “stroke of a pen”, it is highly recommended to also see the ATF’s website at:

<http://www.atf.gov/about/atfhistory.htm>

for this startling revelation as found on 3/16/08:

*“The commissioner’s annual report for 1877 refers to his office as the Bureau of Internal Revenue, a title that it retained for the next seventy-five years.”*

If that’s not the naming of a new *Bureau* by the “stroke of a pen” absent the consent of Congress, then nothing is!

1 Then on 6 June 1972 yet another Treasury Order (#120-01) was issued **by yet another stroke of a pen** by then  
2 Acting Secretary Walker, and included the alleged authority of Reorganization Plan No. 26 of 1950, which (illegally)  
3 established the Bureau of Alcohol, Tobacco and Firearms (BATF) **without Congressional statutory enactment for support**  
4 of this underhanded maneuver, to include the BATF under the authority of Internal Revenue Service. Walker assigned certain  
5 sections of the Internal Revenue Code of 1954 and the Federal Alcohol Administration Act (27 U.S.C. §8) to the new BATF.  
6 But the BATF had been ruled unconstitutional in the states of the Union in 1935 because prohibition had been repealed by  
7 the 21<sup>st</sup> Amendment. But through a series of complicated and perplexing maneuvers obviously designed to obfuscate the  
8 truth, transferred all such (illegal) authority right back to the IRS. See Federal Register, Volume 41, Number 180, of  
9 Wednesday, September 15, 1976 for this:

10 *“The term ‘Director, Alcohol, Tobacco and Firearms Division’ has been replaced by the term ‘Internal Revenue*  
11 *Service’.”*

12 What the above makes clear is that "Internal Revenue Service" is, at least in this case, simply another name - an alias, or, as  
13 the Federal Register clearly states, a "term" - for the term "Director, Alcohol, Tobacco and Firearms Division", which is itself  
14 (as stated) a term, and not an agency which Congress has ever created.

#### 15 **14. Then what exactly is the IRS?**

16 The IRS appears to be a collection agency for foreign banks, operating out of Puerto Rico under color of the Federal Alcohol  
17 Administration, which was declared unconstitutional by the U.S. Supreme Court in the case of U.S. v. Constantine, 296 U.S.  
18 287 (1935).

19 The United States Court of Appeals for the First Circuit has identified a second “Secretary of the Treasury” as a man by the  
20 name of Manual Diaz-Saldana. See 27 C.F.R. §26.11 and Used Tire International, Inc. v. Manual Diaz-Saldana, docket  
21 number 97-2348, September 11, 1998.

22 When all the evidence is examined objectively, IRS appears to be a money laundering, extortion racket, and conspiracy to  
23 engage in a pattern of racketeering activity, in violation of 18 U.S.C. §1961 et seq. (RICO). Think of Puerto RICO (Racketeer  
24 Influenced and Corrupt Organizations Act); in other words, it is an organized crime syndicate.

25 The Internal Revenue Service entered into a "service agreement" with the U.S. Treasury Department [See: Public Law 94-  
26 564; Legislative History, pg. 5967; Reorganization Plan No. 26] and the Agency for International Development, pursuant to  
27 Treasury Delegation Order No. 91. The Agency For International Development is an International paramilitary operation  
28 [See: Department Of The Army Field Manual, (1969) FM 41-10, pgs. 1-4, Sec. 1-7(b) & 1-6, Section 1-10(7)(c )(1), 22  
29 U.S.C.A. §284], and includes such activities as "Assumption of full or partial executive, legislative, and judicial authority  
30 over a country or area." [See: FM 41-10, pg. 1-7, Section 110(7)(c )(4)] also see, Agreement Between The United Nations  
31 And The United States Of America Regarding The Headquarters Of The United Nations, Section 7(d) & (8), 22 U.S.C.A.  
32 §287 (1979 Ed.) at pg. 241. It is to be further observed that the "Agreement" regarding the Headquarters District of the United  
33 Nations was NOT agreed to [See: Congressional Record - Senate, December 13, 1967, Mr. Thurnond], and is illegally in the  
34 Country in the first instant.

35 The International Organizational intents, purposes, and activities include complete control of "Public Finance" i.e. "control,  
36 supervision, and audit of indigenous fiscal resources; budget practices, taxation. expenditures of public funds, currency issues,  
37 and banking agencies and affiliates." [See: FM 41-10, pgs. 2-30 through 2-31, Section 251. Public Finance] This of course

1 complies with "Silent Weapons For Quiet Wars" Research Technical Manual TM-SW7905.1, which discloses a declaration  
2 of war upon the American people (See: pgs. 3 & 7), monetary control by the Internationalist, through information etc.,  
3 solicited and collected by the Internal Revenue Service [See: TM-SV7905.1, pg. 48, also see, 22 U.S.C.A. §286f & Executive  
4 Order No. 10033, 26 U.S.C.A. §6103(k)(4)] and who is operating and enforcing the seditious International program. [See:  
5 TM-SV7905.1, pg. 52] The 1985 Edition of the Department Of Army Field Manual, FM 41-10 further describes the  
6 International "Civil Affairs" operations. At page 3-6 it is admitted that the A.I.D. is autonomous and under direction of the  
7 International Development Cooperation Agency, and at pages 3-8, that the operation is "paramilitary." The International  
8 Organization(s) intents and purposes was to promote, implement, and enforce a "DICTATORSHIP OVER FINANCE IN  
9 THE UNITED STATES." [See: Senate Report No. 93-549, pg. 186]

10 It appears from the documentary evidence that the Internal Revenue Service Agents etc., are "Agents of a Foreign Principal"  
11 within the meaning and intent of the "Foreign Agents Registration Act of 1938." They are directed and controlled by the  
12 corporate "Governor" of "The Fund" also known as "Secretary of Treasury" [See: Public Law 94-564, supra, pg. 5942, U.S.  
13 Government Manual (1990/91), pp. 480 & 481, 26 U.S.C.A. §7701(a)(11), Treasury Delegation Order No. 150-10, and the  
14 corporate "Governor" of "The Bank" 22 U.S.C.A. §§286 and 286a, acting as "information service employees [22 U.S.C.A.  
15 §611(c)(1)(ii)], and have been and do now "solicit, collect, disburse or dispense contribution [Tax - pecuniary contribution,  
16 Black's Law Dictionary 5th edition], loans, money or other things of value for or in interest of such foreign principal 22  
17 U.S.C.A. §611(c)(1)(iii), and they entered into agreements with a Foreign Principal pursuant to Treasury Delegated Order  
18 No. 91 i.e. the "Agency For International Development." [See: 22 U.S.C.A. §611(c)(2)] The Internal Revenue Service is also  
19 an agency of the International Criminal Police Organization and solicits and collects information for 150 Foreign Powers.  
20 [See: 22 U.S.C.A. §263a, The United States Government Manual, 1990/91, pg. 385, see also, The Ron Paul Money Book,  
21 pgs. 250-251] It should be further noted that Congress has appropriated, transferred, and converted vast sums to Foreign  
22 Powers [See: 22 U.S.C.A. §262c(b)] and has entered into numerous Foreign Taxing Treaties (conventions) [See: 22 U.S.C.A.  
23 285g, 22 U.S.C.A. 287j] and other Agreements which are solicited and collected pursuant to 26 U.S.C. §6103(k)(4). Along  
24 with the other documentary evidence submitted herewith, this should absolve any further doubt as to the true character of the  
25 party. Such restrictions as "For the general welfare and common defense of the United States" [See: U.S. Constitution (1787),  
26 Article 1, Section 8, Clause 1] apparently aren't applicable, and the fraudulent rehypothecated debt credit will be merely  
27 added to the insolvent nature of the continual "emergency," and the reciprocal social/economic repercussions laid upon  
28 present and future generations.

29 Among other reasons for lack of authority to act, such as a Foreign Agents Registration Statement, 22 U.S.C.A. §612 and 18  
30 U.S.C.A. §§219 & 951, military authority cannot be imposed into civil affairs. [See: Department Of The Army Pamphlet  
31 27100-70, Military Law Review, Vol. 70] The United Nations Charter, Article 2, Section 7, further prohibits the U.N. from  
32 "intervening in matters which are essentially within the domestic jurisdiction of any state ...." Korea, Viet Nam, Ethiopia,  
33 Angola, Kuwait, etc., etc., are evidence enough of the "BAD FAITH" of the United Nations and its Organizations,  
34 Corporations and Associations, not to mention the seizing of two daycare centers in the State of Minnesota by their agents,  
35 and holding the children as collateral hostages for payment/ransom of their fraudulent, dishonored, rehypothecated debt  
36 credit, worthless securities. Such is the "Rule of Law" "as envisioned by the Founders" of the United Nations. Such is  
37 Communist terrorism, despotism and tyranny. ALL WERE AND ARE OUTLAWED HERE.

38 If you further investigate what agency the IRS does fall under, you will find that all IRS paychecks are paid and accounted  
39 for out of the U.S. Department of Agriculture, and not the Dept. of the Treasury. That's right: IRS agents work for the  
40 Secretary of Agriculture. If you want to obtain delegation orders for IRS personnel, you will need to do a FOIA with the  
41 Secretary of the Dept. of Agriculture. If you request these orders from the Dept. of the Treasury, you won't get any!

42 <http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/USDAPaysIRS.pdf>

## 43 **15. Lawsuits Against the IRS**

44 Those intending to sue the IRS in federal district court have historically been treated as follows:

### 45 **A. The IRS as a Defendant**

46 *The Government contends the courts lack jurisdiction over Murphy's claims against the IRS because the Congress has*  
47 *not waived that agency's immunity from declaratory and injunctive actions pursuant to [HN5 28 U.S.C. §2201\(a\)](#) (courts*  
48 *may grant declaratory relief "except with respect to Federal taxes") and [26 U.S.C. §7421\(a\)](#) (HN6 "no suit for the purpose*  
49 *of restraining the assessment or collection of any tax shall be maintained in any court by any person"); and insofar as*  
50 *the Congress in [28 U.S.C. §1346\(a\)\(1\)](#) has waived immunity from civil actions seeking tax refunds, that provision on its*

1 face applies to "civil action[s] against the United States," not against the IRS. In reply Murphy argues only that the  
2 Government forfeited the issue of sovereign immunity because it did not cross-appeal the district [\*174] [\*\*201] court's  
3 denial of its motion to dismiss. See *FED.R.APP.P. 4(a)(3)*. Notwithstanding the Government's failure to cross-appeal,  
4 however, *HN7* the court must address a question concerning its jurisdiction. See *Occidental Petroleum Corp. v. SEC, 277*  
5 *U.S. App. D.C. 112, 873 F.2d. 325, 328 (D.C. Cir. 1989)* ("As a preliminary matter ... we must address the question of  
6 our jurisdiction [\*\*\*9] to hear this appeal").

7 Murphy and the district court are correct that *HN8 § 703 of the APA* does create a right of action for equitable relief  
8 against a federal agency but, as the Government correctly points out, the Congress has preserved the immunity of the  
9 United States from declaratory and injunctive relief with respect to all tax controversies except those pertaining to the  
10 classification of organizations under *§ 501(c) of the IRC*. See *28 U.S.C. §2201(a); 26 U.S.C. §7421(a)*. As an agency of  
11 the Government, of course, the IRS shares that immunity. See *Settles v. U.S. Parole Comm'n, 368 U.S. App. D.C. 297,*  
12 *429 F.3d. 1098, 1106 (D.C. Cir. 2005)* (agency "retains the immunity it is due as an arm of the federal sovereign").  
13 Insofar as the Congress in *28 U.S.C. §1346(a)(1)* has waived sovereign immunity with respect to suits for tax refunds,  
14 that provision specifically contemplates only actions against the "United States." Therefore, we hold the IRS, unlike the  
15 United States, may not be sued eo nomine in this case.  
16 [*Murphy v. IRS, 493 F.3d. 170, 173-174 (2007)*]

17 Thus, if you want to sue the IRS, you have to sue the United States federal corporation instead. The above case also deals  
18 with IRS damages and should be useful as a tool on how to sue for them.

## 19 **16. Conclusions**

20 The facts put forth to this point confirm that the IRS possesses **no lawful authority** to show "Department of the Treasury"  
21 on any of its outgoing mail for it is NOT a lawful federal agency or bureau therein. Thus, every mailing of this nature  
22 constitutes (at least) one count of 'mail fraud' and other fraudulent enterprises. See 18 U.S.C. §§1341 – 'Frauds and swindles';  
23 1342 – 'Fictitious name or address'; 1346 – 'Definition of "scheme or artifice to defraud", and 1348 – 'Attempt and  
24 conspiracy'; and 18 U.S.C. §1961-1968 – 'Racketeer Influenced and Corrupt Organizations (RICO) Act'. See also 31 U.S.C.  
25 §333 – "Prohibition of misuse of Department of the Treasury names, symbols, etc."

26 It should be noted here that the Internal Revenue Service's website below that the office of Commissioner of Internal Revenue  
27 was created in 1862 but the Bureau of Internal Revenue was NOT created underneath him:

28 *1862 - President Lincoln signed into law a revenue-raising measure to help pay for Civil War expenses. The measure*  
29 *created a Commissioner of Internal Revenue and the nation's first income tax. It levied a 3 percent tax on incomes between*  
30 *\$600 and \$10,000 and a 5 percent tax on incomes of more than \$10,000.*  
31 [*Historical Highlights of the IRS, Internal Revenue Service; [https://www.irs.gov/newsroom/historical-highlights-of-the-](https://www.irs.gov/newsroom/historical-highlights-of-the-irs)*  
32 *irs*]

33 This is obviously **not** true according to the Supreme Court and this author's research of historical enactments of Congress.

34 **What Congress did** was to pass the "Internal Revenue Act", Ch. 119, 12 Stat. 432, in August of 1861 and that Act *became*  
35 *effective* July 1, 1862. The Act did **not** create the Bureau of Internal Revenue, it imposed, among other taxes, an income tax  
36 upon federal military officers and personnel and other federal workers to generate badly needed funds to support the secession  
37 war effort. The tax imposed by the Act was an excise tax imposed upon the "**use of**" federal **property**. See Section 86 of said  
38 Act for specifics on just who were the subjects of excise taxation by Congress.

39 It can safely be deduced from this quick overview of research information that the former BIR, the IRS and the BATF are in  
40 fact **one in the same entity**. See 27 U.S.C. §201 at "Transfer of Functions". Absent an organic act by Congress establishing  
41 the IRS and repealing of the BATF = no jurisdiction over non-federally employed Citizens.

42 The only logical conclusion to be gleaned from this research is, the IRS is an apparent (private) collection firm for the federal  
43 reserve *central* bank (which most likely created one or both of the **pure trusts**) which itself is a private for-profit corporation.  
44 Some people argue that this corporation was incorporated in Delaware. The evidence below from the Secretary of State of  
45 Delaware, for instance, seems to indicate this:

*SEDM Exhibit #08.006*  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

1 And any argument that the IRS' performs a vital governmental function for the collection of needed government tax revenues  
2 immediately fails, for the government of the United States does NOT receive any of the tax revenues collected from federal  
3 income taxes. All such revenues go directly to the federal reserve *central* bank for interest on the alleged debt.

4 For in-depth research as to just where income tax collection receipts ends up, see "War On Waste: President's Private Sector  
5 Survey on Cost Control", i.e., Grace Commission Report, New York, MacMillan Publishing Co., 12 Jan 1984 – ISBN 0-02-  
6 074660-1. The report announced with specificity just what happens to the income tax collections as follows:

7 *"With two-thirds of everyone's personal income taxes wasted or not collected, 100 percent of what is collected is absorbed*  
8 *solely by interest on the Federal debt and by Federal Government contributions to transfer payments. In other words, all*  
9 *individual income tax revenues are gone before one nickel is spent on the services which taxpayers expect from their*  
10 *Government."*

11 We hope that you have learned by reading this article that you must be careful in dealing with the government. The American  
12 People would be served in good stead if they carefully studied the foregoing facts, and shared them with their friends, family,  
13 and colleagues. The future of our American Republic depends upon educating the American People about the deceptive,  
14 predatory, and disingenuous nature of the United States Government. Equally important, in light of the daily sacrifices being  
15 made by the Men and Women of our courageous Armed Forces, the interests of the American People would also be well  
16 served if they listened to and took heed of the warnings issued by the United States Supreme Court when it said:

17 *"Anyone entering into an arrangement with the government takes the risk of having accurately ascertained that he who*  
18 *purports to act for the government stays within the bounds of his authority."*  
19 *[Federal Crop Insurance v. Merrill, 33 U.S. 380 at 384 (1947)]*

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21 *". . . They knew that "illegitimate and unconstitutional practices get their first footing...by silent approaches and slight*  
22 *deviations from legal modes of procedure. . ."*  
23 *[Boyd v. U.S. 116 U.S. 616, 635 (1886)]*

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25 *". . . Every state legislator and executive and judicial officer is solemnly committed by oath taken pursuant to Art. VI, cl.*  
26 *3, "to support this Constitution."*

27 *"No state legislator or executive or judicial officer can war against the Constitution without violating his undertaking to*  
28 *support it."*  
29 *[Cooper v. Aaron, 358 U.S. 1 (1958)]*

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31 *". . . a federal official may not with impunity ignore the limitations which the controlling law has placed on his powers..."*

32 *[. . .]*

33 *". . . the official would not be excused from liability if he failed to observe statutory or constitutional limitations on his*  
34 *powers or if his conduct was a manifestly erroneous application of the statute..."*

35 *[. . .]*

36 *". . . federal officials. . . even when acting pursuant to congressional authorization, are subject to the restraints imposed*  
37 *by the Federal Constitution. . ."*  
38 *[Butz v. Economou, 438 U.S. 478 (1978)]*

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40 *". . . Whatever other concerns should shape a particular official's actions, certainly one of them should be the*  
41 *constitutional rights of individuals who will be affected by his actions. . ."*  
42 *[Owen v. City of Independence, 445 U.S. 622 (1980)]*

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43



1                   “. . . But the power of the state [i.e. any government] in that respect is not [271 U.S. 583, 594] unlimited, and one of the  
2 limitations is that it may not impose conditions which require the relinquishment of constitutional rights. If the state may  
3 compel the surrender of one constitutional right as a condition of its favor, it may, in like manner, compel a surrender of  
4 all. It is inconceivable that guaranties embedded in the Constitution of the United States may thus be manipulated out of  
5 existence. . . .”

6                   [Frost v. Railroad Commission of the State of California, 271 U.S. 583, 594 (1926)]

## 7   **17. Resources for Further Rebuttal and Research**

- 8   1. Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union, Form #05.052-extensive  
9 authority which proves that there is no IRS enforcement authority within the exclusive jurisdiction of a Constitutional  
10 State  
11 <https://sedm.org/Forms/05-MemLaw/ChallengeToIRSEnforcementAuth.pdf>
- 12 2. How State Nationals Volunteer to Pay Income Tax, Form #08.024-proof that the only way those born and domiciled  
13 within the exclusive jurisdiction of a Constitutional State can owe an income tax is if they VOLUNTEER  
14 <https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>
- 15 3. Federal Jurisdiction, Form #05.018-succinct summary of federal jurisdiction within states of the Union  
16 <http://sedm.org/Forms/FormIndex.htm>
- 17 4. Great IRS Hoax, Form #11.302, Chapter 6: History of Federal Income Tax Fraud, Racketeering, and Extortion in the  
18 USA  
19 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 20 5. Derivations of Code Sections of the Internal Revenue Codes of 1939 and 1954, Litigation Tool #09.011-use this resource  
21 to follow along with the code sections cited in this research for various dates  
22 <http://sedm.org/Litigation/LitIndex.htm>
- 23 6. IRS Historical Fact Book, Department of the Treasury, IRS  
24 <https://archive.org/details/irshistoricalfac00unit/page/n1/mode/2up>
- 25 7. History of Treasury Department Organization, Family Guardian Fellowship  
26 <http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm>
- 27 8. Historical Federal Income Tax Acts, Family Guardian Fellowship- most major revenue acts since the beginning of the  
28 IRS. Family Guardian  
29 <http://famguardian.org/PublishedAuthors/Govt/HistoricalActs/HistFedIncTaxActs.htm>
- 30 9. The Work and Jurisdiction of the Bureau of Internal Revenue, U.S. Government Printing Office, 1948  
31 <http://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf>
- 32 10. Commissioner Query: Who and What is the Internal Revenue Service?  
33 <http://famguardian.org/PublishedAuthors/Indiv/MeadorDan/Articles/irsbegin.htm>
- 34 11. Sovereignty Forms and Instructions Online, Form #10.004: History Section-evidence documenting the history of the  
35 government, the Treasury, and the IRS  
36 <http://famguardian.org/TaxFreedom/FormsInstr-History.htm>
- 37 12. Declassified U.S. Government Report on the History of the Bureau of Internal Revenue, 1945, U.S. Government  
38 Archives  
39 [http://famguardian.org/PublishedAuthors/Govt/IRS/Z\\_Secret.pdf](http://famguardian.org/PublishedAuthors/Govt/IRS/Z_Secret.pdf)
- 40 13. 37 F.R. 20690-20964 IRS Organization and Functions (1972) -interesting history of the IRS published by the IRS  
41 <http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/37FR20960-20964-OrgAndFunctions.pdf>