

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

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**NOT LAWFULLY  
ESTABLISHED (FRAUD)**

# 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-toe'-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.
3. The IRS is not an "agency" within the United States government.
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 Dept. 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.

Now, let us begin our fascinating journey.

## 2. 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.**

You must start somewhere. Usually the starting point is what gave rise to your situation which caused you to encounter the "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 theory.

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

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

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

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

## 12 **2.1 History of the Department of the Treasury**<sup>1</sup>

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

29 The Independent Treasury had a Secretary of Treasury and was named "the Secretary of the Treasury of the United States."  
30 Yes, he really existed because there was an honest to goodness United States Treasury. Enter now the problem solvers, the  
31 King in drag. They proceeded to abolish the United States Treasury in the year 1921 by the Act of 1920<sup>2</sup>. Now the fraud  
32 will 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  
33 the white man, or something to that effect. In other words we are not dealing with people that we think we should be  
34 dealing with in the taxation scam. We are scraping the top portion to get you started. So here we go down the rabbit trail.

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

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

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

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

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<sup>1</sup> Adapted from "Going after the wrong people", by "The Informer", <http://atgpress.com>. Website was disestablished 2010.

<sup>2</sup> Act of May 29, 1920, (ch. 214 41 Stat 254).

1 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  
2 has been involved with the IRS over many years, alcohol.

3 41 Stat 321, source for 27 U.S.C. Secs 71 to 90a. Omitted. These sections were omitted by the codification into the Internal  
4 Revenue Code of 1939.

5 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:

- 6 1. **Section 81**,<sup>3</sup>, related to withdrawal of alcohol produced at any industrial alcohol plant tax-free for denaturing, for use  
7 by any scientific university, for scientific research by any laboratory, or for use in any hospital or sanitarium, was  
8 incorporated in sections 3108 (a) and 3124 (a) of Internal Revenue Code of 1939.
- 9 2. **Section 88**,<sup>4</sup> related to applicability of administrative provisions of internal revenue laws, was incorporated in section  
10 3122 of Internal Revenue Code of 1939.

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

12 *"49 Stat. 1957, related to extension of industrial alcohol laws to Puerto Rico and Virgin  
13 Islands, was incorporated in section 3123 of Internal Revenue Code of 1939."*

14 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  
15 and Revision Notes under 31 U.S.C. §1310 state:

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

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

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

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

28 **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"

29 Read this until you have it firmly locked in your brain. The "Secretary" in the Internal Revenue Code is at present, Manuel  
30 Diaz Saldana<sup>5</sup>, who, was the treasurer of Puerto Rico? He is the "Secretary of the Treasury of Puerto Rico." See, they don't  
31 tell you who is Secretary of what Treasury, do they? Fraud perhaps, but you didn't ask, did you? Are liars and thieves  
32 supposed to tell all? And all along you thought it was the Secretary of the Treasury or his predecessors because isn't he

<sup>3</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>4</sup> Act Oct. 28, 1919, ch 85, title III, sec. 18, 41 Stat. 322.

<sup>5</sup> Note 26 U.S.C. §6301 and 27 CFR §250.11, defines this "secretary."

1 called Secretary of the Treasury? Don't presume anything when dealing with liars, thieves, profligates, cretins (all three  
2 branches of de facto usurpers) and the like.

3 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  
4 used such as 26 U.S.C. §6020(b). Do not confuse the Secretary of Treasury Robert Rubin with the Secretary of the Treasury  
5 Mary Ellen Withrow, (old Treasurer of the United States Treasury) or is it Manuel Saldana, Secretary of Treasury of Puerto  
6 Rico? Rubin is Secretary of the treasury all right, but not of the United States. He is Secretary of treasury of the Federal  
7 Reserve/IMF. The agent of the United States that took place of the Independent Treasury through the Federal Reserve Act.  
8 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  
9 Monetary Fund/Bank found in 60 Stat 1401 et seq. and 22 U.S.C. §286a. Rubin is not the "Secretary" described in 26  
10 U.S.C. §6301, is he? And neither is Mary Ellen Withrow who is also the Secretary of the Treasury according to the chart  
11 above.

12 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,  
13 defined in 27 CFR §250.11. Can the "secretary" in 26 U.S.C. §7401 or any other Internal Revenue Code section be anyone  
14 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  
15 regulation or statute for another "secretary," otherwise it would be "manifestly incompatible with the intent thereof" of what  
16 Congress had in mind when abolishing the Independent Treasury, and changing the definitions all around, huh?

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

21 Why do they need an "Alien Property Custodian"? Because all income taxes under I.R.C. Subtitles A through C pertaining  
22 to "individuals" all relate to statutory "aliens". The definition of "individual" confirms this, and THIS "individual" is the  
23 same individual listed in the upper left corner of the IRS Form 1040. "Citizens" are nowhere included within the definition  
24 of "individual" and therefore are purposefully excluded. When they pay taxes under 26 U.S.C. §911, they are statutory  
25 "individuals" under a tax treaty with a foreign country while abroad, and therefore also "aliens". To wit:

26 *26 CFR 1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign*  
27 *persons.*

28 *(c ) Definitions*

29 **(3) Individual.**

30 **(i) Alien individual.**

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

33 **(ii) Nonresident alien individual.**

34 *The term nonresident alien individual means a person described in section 7701(b)(1)(B), an*  
35 *alien individual who is a resident of a foreign country under the residence article of an income*  
36 *tax treaty and Sec. 301.7701(b)-7(a)(1) of this chapter, or an alien individual who is a resident*  
37 *of Puerto Rico, Guam, the Commonwealth of Northern Mariana Islands, the U.S. Virgin*  
38 *Islands, or American Samoa as determined under Sec. 301.7701(b)-1(d) of this chapter. An*  
39 *alien individual who has made an election under section 6013 (g) or (h) to be treated as a*  
40 *resident of the United States is nevertheless treated as a nonresident alien individual for*  
41 *purposes of withholding under chapter 3 of the Code and the regulations thereunder.*

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

44 *5 U.S.C. §5512, Historical and Revision notes.*



1 *"In subsection (b), reference to the 'General Accounting Office' is substituted for 'accounting*  
2 *officers of the Treasury' on authority of the Act of June 10, 1921, ch 18, title III, 42 Stat. 23.*  
3 *Reference to the 'Attorney General' is substituted for 'Solicitor of the Treasury' and 'Solicitor'*  
4 *on authority of section 16 of the Act of March 3, 1933, ch 212, 47 Stat. 1517; section 5 of E.O.*  
5 *1666, June 10, 1933; and section 1 of 1950 Reorg. Plan No. 2, 64 Stat. 1261."*

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

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

15 *"Attorney General. The term 'Attorney General' includes the Alien Property Custodian whose*  
16 *functions were transferred to the Attorney General pursuant to Executive Order 9788 (3 CFR*  
17 *1943-1948 Comp., p.575) . . ."*  
18 *[26 CFR §303.1-1 (b)]*

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

21 *"Trading With the Enemy Act. The term 'Trading With the Enemy Act' includes all amendments*  
22 *of such Act, and all orders, rules, and regulations issued or prescribed under such Act or any*  
23 *such amendment."*  
24 *[26 CFR §303.1-1 (f)]*

25 Now put 26 CFR §303.1-1 (d):

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

27 . . .with 26 CFR §303.1-1 (g):

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

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

30 *"Tax. The term 'tax' has the meaning stated in section 36(d) of the Trading With the Enemy Act*  
31 *as added by the Act of August 8, 1946."*  
32 *[26 CFR §303.1-1 (j)]*

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

37 *"Claims for refund or credit. "(a) Claims for refund or credit must be filed within the period*  
38 *prescribed by section 6511 of the Internal Revenue Code of 1954 as modified by section 36(c)*  
39 *of the Trading With the Enemy Act. . . ."*  
40 *[26 CFR §303.1-7]*

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

2 PART I. PRESIDENT AND DEPARTMENT OF JUSTICE  
3 SECTION 101. FUNCTIONS OF THE ALIEN PROPERTY CUSTODIAN

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

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

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15 PART II. DEPARTMENT OF THE TREASURY  
16 SEC. 201. CONTRACT SETTLEMENT FUNCTIONS

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

22 SEC. 202. NATIONAL PROHIBITION ACT FUNCTIONS

23 The functions of the Attorney General and of the Department of Justice with respect to (a) the  
24 determination of Internal Revenue taxes and penalties (exclusive of the determination of  
25 liability guaranteed by permit bonds) arising out of violations of the National Prohibition Act  
26 (see 27 U.S.C. note preceding Sec. 1) occurring prior to the repeal of the eighteenth amendment  
27 to the Constitution, and (b) the compromise, prior to reference to the Attorney General for suit,  
28 of liability for such taxes and penalties, are transferred to the Commissioner of Internal  
29 Revenue, Department of the Treasury: Provided, That any compromise of such liability shall be  
30 effected in accordance with the provisions of section 3761 of the Internal Revenue Code (of  
31 1939) (see 26 U.S.C. §7122). All files and records of the Department of Justice used primarily  
32 in the administration of the functions transferred by the provisions of this section are hereby  
33 made available to the Commissioner of Internal Revenue for use in the administration of such  
34 functions."

35 Are they talking about "individual income taxes" here or ATF taxes? Want to know why you are licensed, AKA the SS#,  
36 to 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  
37 banking cartel. They charge (tax) you for the use of the military scrip, AKA federal reserve note, as it is a foreign bill of  
38 exchange. 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  
39 those of you that wanted cites to research here they are.

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<sup>6</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 TITLE 50 APPENDIX TRADING WITH THE ENEMY ACT OF 1917 ACT OCT

2 Sec. 3. Acts prohibited

3 It shall be unlawful -

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

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

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

23 TRANSFER OF FUNCTIONS

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

27 WORLD WAR II ALIEN PROPERTY CUSTODIAN

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

30 SECTION REFERRED TO IN OTHER SECTIONS

31 This section is referred to in title 28 section 2680.

32 There you have it people, the Attorney General is coming after your property and he has no interest or power over the  
33 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  
34 treatise to get remedy. The question to ask is,

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

37 42 Stat. 23 created the General Accounting office which is not an agency by any stretch of the imagination. It is an  
38 independent establishment <sup>7</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,  
39 4301, 4501, 5102, 5342, 5531, 5561 and 7511 for the definition of statutory "employee" and who it is, and is not and 4701.

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<sup>7</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 4701 describes "eligible." Here you will see if you are "eligible" to qualify for government employment, under 26 U.S.C.  
2 §3401. If you think you have dependents that can be claimed under 26 U.S.C. §152, think again after reading Title 5  
3 Appendix, Sec. 109 definitions. Are you a federal official? Another cite you should fully investigate is 5 U.S.C. Sec. 5921.

4 *"For the purpose of this subchapter –*

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

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

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

12 In the Historical notes this is more explicit;

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

15 Further on in the notes you will find this:

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

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

25 By removing words such as "ambassador", "foreign counsel" and others as surplusage, they can get away with calling  
26 anybody a statutory "employee" because the definitive term was abolished. Also note the word "civilian service" does not  
27 mean you, unless you are the "eligible" working for the corporation called the "United States" or State because the other  
28 "service" is the military service. So "individual" is a term to describe an officer or statutory "employee" of the government,  
29 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  
30 described 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,  
31 Chapter 53, Subchapter III, to find the General Schedule Pay Rate of those to be taxed and the sections that apply in all 50  
32 titles of the 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,  
33 FOOTNOTE 2, and that leads us to 5 U.S.C. §8334 (4) (A), federal wages. Gosh, does that mean that, 42 U.S.C. §1717,  
34 "assignment of benefits; execution, levy, etc., against benefits" apply to you under 26 U.S.C. §6331 (a) before (b), (c), (d)  
35 can apply? We have always said the reason they don't put Sec 6331 (a) on the notice of levy to your employer is fraud to  
36 cover their theft. They don't need it for one of their own because they are paying them out of the treasury.

37 Here is the proof. Now the cestui que trust (the PUBLIC TRUST) they are operating has just dealt them a death blow under  
38 breach of fiduciary trust because the Constitution is nothing but a treaty obligation on the people in government, not you.  
39 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  
40 "employee" under 3401 (c) for this Social Security tax. Are you? A case for Joint-Venture would have to be proved to bring  
41 you into the subject matter jurisdiction. Now we are back to the "solicitor" and "Alien Property Custodian" and the  
42 "contract that you thought you didn't have. They already have jurisdiction over the subject matter because Congress gave  
43 the courts that much. A footnote in a case <sup>8</sup>,

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

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

6           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  
7           U.S.C. §3002 (15) . It is presumed you are since:

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

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

33           That is the controlling fact, not that you are a statutory "employee" per 26 U.S.C. §3401(c ) or have statutory "wages", and  
34           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  
35           *The New History of America* and James Montgomery's three treatises on British Colony rule and the Reconstruction Acts of  
36           a De Facto congress that put you under military occupation since the act of March 7, 1867.

37           Under the War Powers act and military conquest under Lincoln, the states became federal agents because the states were  
38           nothing but "districts" under military rule of Congress that was a DE FACTO Congress calling us the enemy under  
39           "imperfect war." <sup>9</sup> YES, we are the enemy of the de factos, not the real Congress that went Sine Die back in 1789. Here is  
40           where the state income tax issue comes in <sup>10</sup>. Also see 4 U.S.C. §111. 5 U.S.C. §5512 deals with "withholding of pay;  
41           individuals in arrears." This is where 26 U.S.C. §6331(a) comes into play for all government workers and not you people.  
42           Also referencing 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  
43           meat of the subject because this is what the term "covered employment" means, it is employment covered by federal  
44           employer or a corporation of a federal government, 28 U.S.C. §3002 (15). But wait, it gets better, so go pull and read these

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<sup>9</sup> 78 Am Jur 2d WAR Secs. 2 thru 7 and 167; 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>10</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 endnotes <sup>11</sup>. After reading these then remember 41 Stat. 321? Well at the end is 49 Stat 1964 related to the effect of act of  
2 June 26, 1936, which describes the duties and powers of the "Secretary of the Treasury." You all know by now who it is,  
3 don't we? This Stat is the source for 27 U.S.C. §202. You will love the Codification part where it states:

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

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

16 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  
17 authorizes 12 U.S.C. Sections 121, 419 and 467, among other Titles. A closer look at sec. 121 reveals that by statute law  
18 the Treasurer must redeem any note of any association, of which the Federal Reserve is, in United States Notes <sup>13</sup>. So now  
19 we go to 12 U.S.C. Sec. 467. Tell me if Robert Rubin or Mary Ellen Withrow is "the Secretary of the Treasury authorized  
20 to receive deposits of gold or of gold certificates or of Special Drawing Right certificates with the treasurer or any  
21 designated depository of the United States . . ." First, tell me what Treasury are we talking about and then the name of the  
22 secretary? If need be go back and see all the substitutions for terms when the Independent Treasury of the United States  
23 was abolished such as in 31 U.S.C. §3322.

24 You have on hand in standard terminology the following;

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

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

- 29 1. From the three above who is the "Secretary" described in 26 U.S.C. §6301 for he, "shall collect the taxes imposed by  
30 the internal revenue laws?"
- 31 2. Why do you write to "Secretary of the Treasury" in a tax matter? He's an agent of the International Monetary Fund  
32 who is not even paid by the U.S. government per 22 U.S.C. §286a(d).
- 33 3. Which of the three above or none of the above, oversees all the accounting of the money of the United States?
- 34 4. Have you ever asked under 26 U.S.C. §7401 for the authorization papers signed by Manual Saldana to come after you  
35 for a civil action?
- 36 5. What about a criminal action?
- 37 6. Isn't the Attorney General a solicitor, which means there must be a contract for him to get involved in bringing you to  
38 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>11</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>12</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>13</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>14</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.*  
13 *However, the administering Secretary may change a determination because of new evidence or*  
14 *for other good cause. The Secretary's determination may not be reviewed in any court or by the*  
15 *General Accounting Office, unless there has been fraud or 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>15</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>16</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

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<sup>14</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>15</sup> 26 CFR Part 303, 303.1-1; 303.1-6; 303.1-7.

<sup>16</sup> See SEDM Exhibit #04.013; <http://sedm.org/Exhibits/ExhibitIndex.htm>.

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

11 Since I have exposed the admiralty principles used by the government in the two cases cited in my writings <sup>17</sup> that stated the  
12 procedure must start out in Admiralty, then proceed to the civil side of Admiralty to complete the case, shows how Manual  
13 Saldana plays an important part. This Secretary of Treasury was created, and by the Jones Act (Puerto Rico) and 48 U.S.C.  
14 §1469a-1 says,

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

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

19 The real characters you should be addressing are:

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

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

41 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  
42 starters why don't you spread the word for people to buy and read *The New History of America* and James Montgomery's  
43 *British Colony I, II, & III*.

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<sup>17</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 You want to get your property back? You have to go to the Alien Property Custodian under the following, if not  
2 predisposed to go to the Secretary of the Treasury of Puerto Rico.

3 50 USC APPENDIX - WAR AND NATIONAL DEFENSE Sec. 9

4 TITLE 50, APPENDIX

5 TRADING WITH THE ENEMY ACT OF 1917 ACT OCT

6 Sec. 9. Claims to property transferred to custodian; notice of claim; filing; return of property;  
7 suits to recover; sale of claimed property in time of war or during national emergency.

8 -STATUTE-

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

35 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  
36 is listed in Benedict On Admiralty, as specifically a maritime (commercial Crime), look at 27 CFR §72.11. This Title  
37 continues to state:

38 CROSS REFERENCES

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

42 SECTION REFERRED TO IN OTHER SECTIONS

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

45 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?  
46 Does the Statutes apply to the corporate government officials, employees and the like, and NOT you, the slave to the  
47 system? Does this affect the IRS agent and those above him in command, all the way to the "Secretary" defined in 26  
48 U.S.C. §6301? Could you go to the GAO and have them do an accounting of the property taken from you to see that it was

1 reported and given to the Alien Property Custodian and the Treasurer of the United States? Think, people, think and use the  
2 brain the Lord Almighty gave you. Do you still want to be robbed again and again by a de facto congress and state  
3 legislators, the same as if a thief demanded money from you to only steal a little from you each year? And if you didn't he  
4 would seize your property as "booty" and sell it? That's exactly the type of usurpers you are living under and you give them  
5 your blessings to do it by voting for them as "your representatives." Read my *New History of America* and see what I mean.  
6 Your vote doesn't count one iota. The Electoral College votes as it sees fit to protect the usurpers. What do you do to  
7 usurpers? That's your choice. But don't continue to complain when you do no research. I don't want to hear that you have  
8 no time or that you are not educated enough. If we can do it, so can you. Collectively you can form groups. Collectively  
9 you have the time to be continually robbed, don't you? It makes me sick to hear people whine constantly and not do  
10 anything about it and then get mad at the researcher for trying when you love to be robbed day in and day out for your  
11 whole life with the lame excuse, "Oh, what would we do without government. We have to pay taxes?" Bahh, Humbug! I  
12 told you I am only scratching the surface with this short treatise.

13 But here is the kicker that destroys the last paragraph. What if they come after you admitting that the USE of the private  
14 federal reserve scrip is what they are laying a tax upon? It's their private international bill of exchange and property on  
15 LOAN 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  
16 currency by using a so-called tax to extract excess amounts from circulation in order to regulate its value?

## 17 **2.2 Secretary of the Treasury**

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

19 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 79](#) > § 7701  
20 [§ 7701. Definitions](#)

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

23 *(11) Secretary of the Treasury and Secretary*

24 *(A) Secretary of the Treasury*

25 *The term "Secretary of the Treasury" means the Secretary of the Treasury, personally, and*  
26 *shall not include any delegate of his.*

27 *(B) Secretary*

28 *The term "Secretary" means the Secretary of the Treasury or his delegate.*

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

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

32 *(a)The Secretary of the Treasury shall—*

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

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

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

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

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

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

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

7 (6)collect receipts;

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

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

12 (A)each kind of tax;

13 (B)the amount of each tax; and

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

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

18 [TITLE 26 > Subtitle F > CHAPTER 80 > Subchapter A > § 7805](#)  
19 [§ 7805. Rules and regulations](#)

20 (a) Authorization

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

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

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

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

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

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

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

10 (d) *Compensation for services*

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

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

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

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

- 24 1. Does not work for the American People or even the President.  
25 2. Is not paid the American people.  
26 3. Is an agent of a foreign principle if he performs ANY function for the United States Government.  
27 4. If he in fact is an agent of a foreign principle, then any attempt to enforce any provision he authored against those who  
28 don't consent is an act of international terrorism instituted by a foreign sovereign.  
29 5. If he also works for the United States government, has criminal financial conflict of interest per 18 U.S.C. §208.  
30 6. Owes his primary allegiance to the IMF and the Federal Reserve and NOT the American People.

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

33 The unconstitutional and unlawful re-delegation of Congress' power to create money under the Federal Reserve Act  
34 occurred in 1913, out of which there was created the end of the "independent treasury" on May 29, 1920, in which the  
35 People's money was transferred from independent treasuries to Federal Reserve banks within their respective districts. This  
36 was accomplished by the General Appropriations Act (May 29, 1920).<sup>18</sup> See:

Independent Treasury System

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

37 Thereafter the gold was systematically, and criminally, removed and transferred out of the country, eventually causing a  
38 "run" on the banks, and ultimately, the Emergency Banking Relief Act of March 9, 1933, 48 Stat. 1. War and Emergency  
39 Powers had worked in 1862, and again in 1933, to expand unauthorized power beyond Constitutional and statutory

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<sup>18</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.

1 limitations and prohibitions. Like the economic emergency itself, the emergency executive power is still active and  
2 available to further the "systematic scheme".

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

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

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

17 [16 Am.Jur.2d, Constitutional Law, §52]

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

21 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>

## 22 **2.3 Internal Revenue Service**

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

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<sup>19</sup> As to the effect of emergencies on the operation of state constitutions, see § 59.

<sup>20</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>21</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>22</sup> Mitchell v. Harmony, 54 U.S. 115, 13 How. 115, 14 L.Ed. 75 (1851).

<sup>23</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).

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

[Diversified Metal Company v. T-Bow Company Trust, Internal Revenue Service,  
Civ. No. 93-405—E-EJL, United States District Court, Idaho;  
SOURCE: <http://famguardian.org/Subjects/Taxes/Evidence/USGovDeniesIRS/USGovDeniesIRS.htm>]

The IRS is established by regulation of the Secretary at 26 CFR §601.101. The regulations are known as "Part 600". The Tenth Circuit identified this regulation as the origin of the IRS in *Lonsdale v. U.S.*, 919 F. 2d 1440, 1448 (10th 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 pursuant to 26 CFR §601.101. The Tenth Circuit cited to Section 601.101 in *U.S. v. Dawes*, 951 F. 2d 1189, 1193(N.3)(10th Cir. 1991).

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 "United States" (26 U.S.C. §7701(a)(9) and (a)(10)), not internal to the geographic "United States" or "United States of America". *U.S. v. Euge*, 444 U.S. 707, 719 (N.3)(1980).

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

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

## **2.4 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"?

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

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

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

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

## 2.5 United States District Court

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

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

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

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

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 lawfully made, the IRS Investigators, as Grand Jury Agents, would lose the sting they possess readily apparent when the Grand Jury and IRS become one flesh.

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

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

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

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 presents a case for Grand Jury indictment. Without the authorization from the Secretary of the Treasury, the U.S. Attorney would have no authority to consider prosecution under Title 28, Section 547(1) on "offenses" related to internal revenue. If a proper referral is made, no evidence obtained by the IRS through post referral enforcement statutes could ever be used to obtain an indictment or conviction because it was obtained without legal authority. Remember a subpoena or summons seeks the evidence by enforcement.

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

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

5 *"Federal Courts are courts of limited jurisdiction. They possess only that power authorized by*  
6 *Constitution and statutes, See Willy v. Coastal Corp. 503, U.S. 131, 136-37, 117 L.ED. 2d 280,*  
7 *112 S.Ct. 1076 (1992), which is not to be explained by Judicial Decree. Fire & Casualty Co. v.*  
8 *Fin, 341 U.S. 6, 95 L.Ed. 702, 71 S.Ct. 534, 19 ALR 2d 738 (1951). It is presumed that a cause*  
9 *lies outside this limited jurisdiction, Turner v. Bank of North America, 4 Dall, 8,11, 1 L. Ed 718*  
10 *(1799), and the burden of establishing the contrary rests upon the party asserting jurisdiction."*  
11 *[McNutt v. GMAC 298 U.S. 178, 182-83, 80 L.Ed. 1135, 56 S. Ct. 780 (1936)]*

12 Taking all the case citations out of this quote:

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

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

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

## 23 **2.6 Treasury Organization Charts**

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

[History of Treasury Department Organization](http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm)  
<http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm>

## 27 **3. Brief History of the IRS**

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

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



1 You can verify and read the above at:

Historical Federal Income Tax Acts

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

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

11 Delegation Order No. 150-06

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

13 As part of Truman's reorganization plan, the Bureau of Internal Revenue was put in charge of administering internal  
14 revenue laws of the United States; this is the same entity President Franklin Roosevelt put in charge of administering the  
15 Federal Alcohol Administration Act via Reorganization Plan No. 3 of 1940. The Roosevelt change was made after the  
16 Supreme Court pulled the teeth of the Prohibition Act of 1926 and the Federal Alcohol Administration Act in December  
17 1935 by declaring that with repeal of the Eighteenth Amendment in December 1933, federal concurrent jurisdiction within  
18 States of the Union to enforce prohibition laws had also been repealed. Administration of the Federal Alcohol  
19 Administration Act was subsequently moved to insular possessions in 1940 and administration of the Internal Revenue  
20 Code was likewise moved to insular possessions in 1954. For enlightenment on the subject, read definitions at 27 CFR  
21 §26.11. The Bureau of Alcohol, Tobacco and Firearms was segregated from the Internal Revenue Service in approximately  
22 1970 – they spring from common origins.

## 23 **4. Statutory evidence**

### 24 **4.1 U.S. Code Title 31: IRS Is not Part of the Dept of the Treasury**

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

- 28
- 29 1. 301(a) – Congress created the Department of the Treasury as an executive department of the U.S. Government at the  
30 seat of Government (Washington, DC);
- 31 2. 301(b) – Congress provided for appointment of a Department head by the President by and with the advice and consent  
32 of the Senate to be known as the Secretary of the Treasury;
- 33 3. 301(c) – Congress provided for the position of a Deputy Secretary and at 301(c)(1) -whose duties are prescribed by the  
34 Secretary, 301(c)(2) – who is to act for the Secretary when the Secretary is absent, unable, and during office vacancy of  
35 the post;
- 36 4. 301(d) – Congress created positions for 2 Under Secretaries, 2 Deputy Secretaries and a Treasurer of the United States  
37 appointed in the same manner as 301(b) with duties as those prescribed by 301(c)(1), and other personnel;
- 38 5. 301(e) - Congress created positions for 8 Assistant Secretaries in addition to those in subsection (d) appointed in the  
39 same manner as 301(b) with duties as those of 301(c)(1);
- 40 6. 301(f)(1) – Congress provided for appointment of a General Council by the President in the same manner as 301(b),  
41 who is to be the chief law officer of the Department and provides for the Secretary to appoint not more than 5 Assistant  
42 General Councils with authority to designate one of the Assistant General Councils as the General Council when the  
43 General Council is absent or unable to serve or when the office of General Council is vacant (*see note below*  
44 **concerning this section**);
- 45 7. 301(f)(2) - Congress created a position for an Assistant General Council appointed by the President in the same manner  
46 as 301(b) who shall be Chief Counsel for the Internal Revenue Service as chief law enforcement officer who shall  
47 carry out duties and powers prescribed by the Secretary (*see note below concerning this section*);

- 1 8. 301(g) - Congress provides that the Department shall have a seal;
- 2 9. 302 - Congress created the Department of the Treasury of the United States Government as a Department;
- 3 10. 303(a) - Congress created the Bureau of Engraving and Printing as a Bureau in the Department of the Treasury and in  
4 303(b) - a position for a Director known as the Director of the Bureau of Engraving and Printing who is to be appointed  
5 by the Secretary of the Treasury, and as such Director at 301(b)(1) - shall carry out the duties and powers as prescribed  
6 by the Secretary, and 301(b)(2) - who shall report directly to the Secretary;
- 7 11. 304(a) - Congress created the United States Mint as a bureau in the Department of the Treasury and 304(b) - a Director  
8 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  
9 of 5 years, and upon removal from office the President shall send a message to the Senate giving reasons for such  
10 removal, and 304(b)(2) - the Director shall carry out the duties and powers as prescribed by Secretary;
- 11 12. 305 - Congress directed that supervision and direction by the Secretary of the Treasury shall be over the Federal  
12 Financing Bank established under section 4 of the Federal Financing Bank Act of 1973 (12 U.S.C. §2283);
- 13 13. 306(a) - Congress created the Fiscal Service as a service in the Department of the Treasury and 306(b) - Congress  
14 created the position of Fiscal Assistant Secretary as head of the Fiscal Service appointed under section 301(d) of this  
15 title, 306(c)(1) - Congress created the Bureau of Government Financial Operations within the Fiscal Service and  
16 provided for the position of Commission of Government Financial Operations as the head of the bureau and created at  
17 306(c)(2) - the Bureau of Public Debt with the position of Commissioner as the head of the bureau, and at 306(d) -  
18 Congress enabled the Secretary of the Treasury to designate another officer or employee of the Department to act as  
19 the Fiscal Assistant Secretary when he/she is absent or unable to serve or when the office is vacant;
- 20 14. 307 - Congress inserted the Office of the Comptroller of the Currency established under section 324 of the Revised  
21 Statutes (12 U.S.C. §1) as an office in the Department of the Treasury;
- 22 15. 308 - Congress inserted the United States Customs Service established under section 1 of the act of March 3, 1927 (19  
23 U.S.C. §2071) as a service in the Department of the Treasury;
- 24 16. 309 - Congress inserted the Office of Thrift Supervision established under section 3(a) of the Homeowner's Loan Act  
25 as an office in the Department of the Treasury;
- 26 17. 310(a) - Congress inserted the Financial Crimes Enforcement Network established by order of the Secretary of the  
27 Treasury (Treasury Order No. 150-08, referred to "FinCEN") on April 25, 1990, as a bureau in the Department of the  
28 Treasury and creates the position of Director as head of the FinCEN bureau by appointment of the Secretary of the  
29 Treasury at 310(b)(1) with enumerated duties and powers of the Director at 310(b)(2) and other performance outlines  
30 throughout the remainder of subsection (c) and appropriations at subsection (d).

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

- 33 1. Create the "Internal Revenue Service (IRS)" as an "agency," "bureau," "office," or "service" within the Department of  
34 the Treasury.
- 35 2. Create the predecessor to the IRS, which is the "Bureau of Internal Revenue (BIR)" as an "agency," "bureau," "office,"  
36 or "service" within the Department of the Treasury.
- 37 3. *Insert* the Internal Revenue Service as an "agency," "bureau," "office," or "service" in the Department of the Treasury  
38 with reference to its establishment from any Treasury Order (or otherwise) as it did with FinCEN in section 310(a).

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

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

1. Title 5:

- 1.1. 5 U.S.C. §500(c)
- 1.2. 5 U.S.C. §9508(a)
- 1.3. 5 U.S.C. §9509(b)(1)(A)
- 1.4. 5 U.S.C. §9509(b)(2)
- 1.5. 5 U.S.C. §9509(c)
- 1.6. 5 U.S.C. §9510(a)(1)
- 1.7. 5 U.S.C. §9510(b)(1)
- 1.8. 5 U.S.C. §9510(c)
- 1.9. 5 U.S.C. §9510(d)
- 1.10. 5 U.S.C. §9510(e)(2)

2. Title 31:

- 2.1. 31 U.S.C. §301(f)(2)
- 2.2. 31 U.S.C. §330(c)(1)
- 2.3. 31 U.S.C. §713(a)

Yet with what has been provided in this Review with regards to what Congress **did** create in Title 31 sections 301-310, federal courts are erroneously ruling on this very issue of the IRS being an agency within the Department of the Treasury by falsely citing Section 301(a) of Title 31, which is where Congress created **ONLY** the Department of the Treasury with the full and complete context of section 301(a) is as follows for reiteration:

*“The Department of the Treasury is an executive department of the United States Government at the seat of the Government.”*

The federal courts are also using 26 U.S.C. §7801 - “Authority of the Department of the Treasury” at (a)(1) in their attempts to B.S. the American People into believing that Congress created the IRS when §7801(a) says no such thing as follows:

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

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. §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 notion by the Courts that the Code *itself* created the IRS as an agency within or under the Department of the Treasury is not only absurd, but is considered willful criminal deception and outrageous miscarriages of justice!

## 4.2 Fair Debt Collection Practices Act (FDCPA)

The Fair Debt Collection Practices Act (FDCP) confirms that the IRS is **not** part of the U.S. Government. Congress, has seen fit to include the IRS as a “debt collector”<sup>24</sup>, defined at 15 U.S.C. §1692a(6) of the Fair Debt Collection Practices Act (FDCPA as amended by P.L. 104-208, 110 Stat. 3009, Sept. 30, 1996).

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

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

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

[. . .]

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

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

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

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

**What, then, is its true sense? The most obvious, and, as it seems to us, the most rational answer to this question is that Congress must have had in contemplation debts originating in**

---

<sup>24</sup> 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 contract or demands carried into judgment, and only debts of this character. This is the  
2 commonest and most natural use of the word. Some strain is felt upon the understanding when  
3 an attempt is made to extend it so as to include taxes imposed by legislative authority, and there  
4 should be no such strain in the interpretation of a law like this.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 12           **4.3       1939 Internal Revenue Code**

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

16                   53 State 489  
17                   Revenue Act of 1939, 53 Stat. 489  
18                   Chapter 43: Internal Revenue Agents  
19                   Section 4000 Appointment

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

25          "Competent agents"? What a joke! If they were "competent", then they would:

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

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

30                   [Revenue Act of 1939, 53 Stat. 1](http://famguardian.org/CDs/LawCD/Federal/RevenueActs/Revenue%20Act%20of%201939.pdf)  
31                   <http://famguardian.org/CDs/LawCD/Federal/RevenueActs/Revenue%20Act%20of%201939.pdf>

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

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

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

#### 4.4 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>25</sup> or in the Administrative Procedures Act (APA<sup>26</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 §§301-310 of Title 31 U.S.C.. **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 25.

Congress even further acknowledged this in the Internal Revenue Code with the definition of “Federal Agency”, by referencing the Freedom of Information Act’s definition therein.<sup>27</sup> Thus, the IRC as written by Congress confirms [i]ts intent to **exclude** the IRS as a federal agency within the Department of the Treasury.

#### 4.5 Legal Definition of “Revenue Agent”

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

[27 CFR §26.11: Meaning of terms](#)

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

#### 5. Relationship of IRS to BATF

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

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

1. § 6001 ("Notice or regulations requiring records, statements and special returns");
2. § 6011 ("General requirement of return, statement or list")
3. § 6012 ("Persons required to make returns of income" (a, b and c are all cited in the "IRS" Form 1040 Instruction booklet as the government's authority to ask for information.)
4. § 6321 ("Lien for taxes")
5. § 6331 ("Levy and distraint")
6. § 7201 ("Attempt to evade or defeat tax")
7. § 7203 ("Willful failure to file return, supply information, or pay tax")

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<sup>25</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>26</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.

<sup>27</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 8. § 7321 ("Authority to seize property subject to forfeiture") (For more on this section, and how it appears only relevant  
2 to BATF, see below.)

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

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

15 *"(1) Criminal offenders or alleged criminal offenders acting alone or in concert with other*  
16 *individuals and suspects who have been or are under investigation for a violation or suspected*  
17 *violation of laws enforced by the Bureau." (2) Criminal offenders or alleged criminal offenders*  
18 *acting alone or in concert with individuals who have been referred to the Bureau of Alcohol,*  
19 *Tobacco and Firearms by other law enforcement agencies, governmental units and the general*  
20 *public. (3) Informants. (4) Persons who come to the attention of the Bureau in the conduct of*  
21 *criminal investigations...."*

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

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

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

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

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

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

40 Then, in the implementing regulation, 26 CFR §301.7321-1, entitled "Seizure of Property", is stated the following:

41 *"Any property subject to forfeiture to the United States under any provision of the Code may be*  
42 *seized by the district director or assistant regional commissioner (alcohol, tobacco and*  
43 *firearms). Upon seizure of property by the district director he shall notify the assistant regional*



1 commissioner (alcohol, tobacco and firearms) for the region wherein the district is located who  
2 will take charge of the property and arrange for its disposal or retention under the provisions of  
3 law and regulations applicable thereto." (Emphasis added.)

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

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

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

20 *TITLE 1 - GENERAL PROVISIONS*  
21 *CHAPTER I - ADMINISTRATIVE COMMITTEE OF THE FEDERAL REGISTER*  
22 *SUBCHAPTER E - PREPARATION, TRANSMITTAL, AND PROCESSING OF DOCUMENTS*  
23 *PART 21 - PREPARATION OF DOCUMENTS SUBJECT TO CODIFICATION*  
24 *Subpart a - GENERAL*  
25 *21.21 - General requirements: References.*

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

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

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

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

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

44 The above statements - aside from being extremely circular and difficult to follow - appear to be revealing that the official  
45 known as the Commissioner of Internal Revenue is actually the same person and office as the Director, Alcohol, Tobacco  
46 and Firearms Division (who was renamed "Internal Revenue Service" according to the Federal Register, Volume 41,  
47 Wednesday, September 15<sup>th</sup>, 1976) and that the officials known as "internal revenue officer" and "officer, employee or

1 agent of the internal revenue" are actually enforcing BATF laws. For further exploration of this, see the definition of  
2 "Revenue Agent" below.

3 TO 120-01 goes on to state:

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

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

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

19 Returning to the above cite from 27 CFR §201, concerning the Federal Alcohol Administration, it is obvious that some  
20 entity with the present name "Internal Revenue Service" used to be known as the "Bureau of Internal Revenue." And we  
21 find that renaming confirmed in Treasury Order 150-06, dated July 9<sup>th</sup>, 1953, entitled "Designation as Internal Revenue  
22 Service," which states in paragraph #1:

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

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

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

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

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

## 38 **6. IRS Form 1040 is for federal territories and possessions, not Union states**

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

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

4           26 CFR §1.6017-1(a)(2) states:

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

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

IRS Publication 676

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm>

## 13    **7. No Internal Revenue Districts within States of the Union**

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

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

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

21                 *(9) United States*

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

24                 *(10) State*

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

27          [26 U.S.C. §7601](#) limits and defines enforcement of the Internal Revenue Code and discovery related to the enforcement  
28          only within the bounds of internal revenue districts. Any evidence gathered by the IRS outside the District of Columbia is  
29          UNLAWFULLY obtained and in violation of this statute, and therefore inadmissible. See *Weeks v. United States*, [232 U.S.](#)  
30          [383](#) (1914), which says that evidence unlawfully obtained is INADMISSIBLE.

31          [26 U.S.C. §7621](#) authorizes the President of the United States to define the boundaries of all internal revenue districts. The  
32          President delegated that authority to the Secretary of the Treasury pursuant to Executive Order 10289.

33                 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 78](#) > [Subchapter B](#) > § 7621  
34                 [§ 7621. Internal revenue districts](#)

35                 *(a) Establishment and alteration*

1           The President shall establish convenient internal revenue districts for the purpose of  
2           administering the internal revenue laws. The President may from time to time alter such  
3           districts.

4           (b) Boundaries

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

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

10          And 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  
11          than the Internal Revenue Code, makes it very clear in Article 4, Sec. 3, Cl. 1, that new Union State may be formed within  
12          the jurisdiction of another Union State and that no new Union State may be formed by combining it with another Union  
13          State, without first getting the prior consent of the State Legislatures and the U.S. Congress.

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

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

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

21          Neither the President nor his delegate, the Secretary of the Treasury, may establish internal revenue districts outside of the  
22          “United States”, which is then defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10), [26 U.S.C. §7701\(a\)\(39\)](#), and [26 U.S.C.  
23          §7408\(d\)](#) to mean ONLY the District of Columbia. This restriction is a result of the fact that the Constitution in Article 4,  
24          Section 3, Clause 2 only authorizes Congress to write rules and regulations for the territory and other property of the United  
25          States, and states of the Union are not “territory” of the United States:

26                   *"Territories' or 'territory' as including 'state' or 'states.'" While the term 'territories of the'*  
27                   *[United States](#) may, under certain circumstances, include the states of the Union, as used in the*  
28                   *federal Constitution and in ordinary acts of congress "territory" does not include a [foreign](#)*  
29                   *[state](#).*  
30                   *[86 C.J.S. [Corpus, Juris, Secundum, Legal Encyclopedia], Territories, §1]*

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

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

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

<p>39           Treasury Order 150-02, Exhibit #04.014 40           <a href="http://sedm.org/Exhibits/ExhibitIndex.htm">http://sedm.org/Exhibits/ExhibitIndex.htm</a></p>
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41          Whether or not internal revenue districts have been established in states of the Union is a significant issue as the delegate of  
42          the Secretary has canvassing and other examination authority solely within internal revenue districts. See 26 U.S.C. §7601  
43          and 26 CFR §601.101. If there are no internal revenue districts in states of the Union, the delegate of the Secretary does not

1 have lawful authority to canvass and conduct examination functions within states of the Union. It follows that if there are  
2 no internal revenue districts in states of the Union, then all enforcement efforts that reach beyond geographical bounds of  
3 these districts are beyond lawful authority, whether the Internal Revenue Service is delegate of the Secretary of the  
4 Treasury for purposes of 26 U.S.C. §7701(a)(12)(A) or not.

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

## 7 **8. Why the IRS Has NO Enforcement Authority Within States of the Union**

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

- 10 1. The U.S. Supreme Court has stated repeatedly that the United States federal government is without ANY legislative  
11 jurisdiction within the exterior boundaries of a sovereign state of Union:

12 *"The difficulties arising out of our dual form of government and the opportunities for differing*  
13 *opinions concerning the relative rights of state and national governments are many; **but for a***  
14 ***very long time this court has steadfastly adhered to the doctrine that the taxing power of***  
15 ***Congress does not extend to the states or their political subdivisions.** The same basic*  
16 *reasoning which leads to that conclusion, we think, requires like limitation upon the power*  
17 *which springs from the bankruptcy clause. United States v. Butler, supra."*  
18 *[Ashton v. Cameron County Water Improvement District No. 1, 298 U.S. 513, 56 S.Ct. 892*  
19 *(1936)]*

20  
21 *"It is no longer open to question that **the general government, unlike the states,** Hammer v.*  
22 *Dagenhart, [247 U.S. 251, 275](#), 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, **possesses no***  
23 ***inherent power in respect of the internal affairs of the states; and emphatically not with***  
24 ***regard to legislation."***  
25 *[Carter v. Carter Coal Co., [298 U.S. 238](#), 56 S.Ct. 855 (1936)]*

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

- 29 2. [40 U.S.C. §3112](#) creates a presumption that the United States government does not have jurisdiction unless it  
30 specifically accepts jurisdiction over lands within the exterior limits of a state of the Union:

31 *TITLE 40 - PUBLIC BUILDINGS, PROPERTY, AND WORKS*  
32 *SUBTITLE II - PUBLIC BUILDINGS AND WORKS*  
33 *PART A - GENERAL*  
34 *CHAPTER 31 - GENERAL*  
35 *SUBCHAPTER II - ACQUIRING LAND*  
36 [Sec. 3112. Federal jurisdiction](#)

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

39 *(b) Acquisition and Acceptance of Jurisdiction. - When the head of a department, agency, or*  
40 *independent establishment of the Government, or other authorized officer of the department,*  
41 *agency, or independent establishment, considers it desirable, that individual may accept or*  
42 *secure, from the State in which land or an interest in land that is under the immediate*  
43 *jurisdiction, custody, or control of the individual is situated, consent to, or cession of, any*  
44 *jurisdiction over the land or interest not previously obtained. The individual shall indicate*  
45 *acceptance of jurisdiction on behalf of the Government by filing a notice of acceptance with the*  
46 *Governor of the State or in another manner prescribed by the laws of the State where the land*  
47 *is situated.*

1 (c) *Presumption.* - It is conclusively presumed that jurisdiction has not been accepted until  
2 the Government accepts jurisdiction over land as provided in this section.  
3 [SOURCE: [http://www4.law.cornell.edu/uscode/html/uscode40/usc\\_sec\\_40\\_00003112----000-](http://www4.law.cornell.edu/uscode/html/uscode40/usc_sec_40_00003112----000-)  
4 [.html](http://www4.law.cornell.edu/uscode/html/uscode40/usc_sec_40_00003112----000-.html)]

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

6 *Uniform Commercial Code (U.C.C.)*  
7 § 9-307. LOCATION OF DEBTOR.

8 (h) [Location of United States.]

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

10 [SOURCE:

11 <http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm#s9-307>]

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

17 5. The Internal Revenue Code, Subtitle A places the income tax primarily upon a “trade or business”. A “trade or  
18 business” as used within the Internal Revenue Code is a “word of art” and is defined ONLY as the “functions of a  
19 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>

20 6. [4 U.S.C. §72](#) limits the exercise of all “public offices” and the application of their laws to the District of Columbia and  
21 NOT elsewhere except as expressly provided by Congress.

22 [TITLE 4 > CHAPTER 3 > §72](#)  
23 [§ 72. Public offices; at seat of Government](#)

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

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

31 *“expressly. In an express manner; in direct and unmistakable terms; explicitly; definitely;*  
32 *directly. St. Louis Union Trust Co. v. Hill, 336 Mo. 17, 76 S.W.2d. 685, 689. **The opposite of***  
33 ***impliedly**. Bolles v. Toledo Trust Co., 144 Ohio St. 195, 58 N.E.2d. 381, 396.” (Emphasis*  
34 *added)*

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

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

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

41 *“Official powers cannot be extended beyond the terms and necessary implications of the grant.*  
42 *If broader powers be desirable, **they must be conferred by Congress.**”*

1 [Federal Trade Commission v. Raladam Co., 283 U.S. 643, 51 S.Ct. 587 (1931)(Emphasis  
2 added)]

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

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

15 10.1. [48 U.S.C. §1612](#) and 48 U.S.C. §1397 expressly extend the enforcement of the criminal provisions of the Internal  
16 Revenue Code to the Virgin Islands and is the only enactment of Congress that extends enforcement of any part  
17 of the Internal Revenue Code to any place outside the District of Columbia.

18 10.2. 48 U.S.C. §1421i extends the internal revenue laws to Guam.

19 10.3. 48 U.S.C. §1801 extends the revenue laws to the Northern Mariana Islands.

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

21 *We have held, upon full consideration, that although under existing statutes a circuit court of*  
22 *the United States has jurisdiction upon habeas corpus to discharge from the custody of **state***  
23 ***officers** or tribunals one restrained of his liberty in violation of the Constitution of the United*  
24 *States, it is not required in every case to exercise its power to that end immediately upon*  
25 *application being made for the writ. ‘We cannot suppose,’ this court has said, ‘that Congress*  
26 *intended to compel those courts, by such means, to draw to themselves, in the first instance, the*  
27 *control of all criminal prosecutions commenced in state courts exercising authority within the*  
28 *same territorial limits, where the accused claims that he is held in custody in violation of the*  
29 *Constitution of the United States. The injunction to hear the case summarily, and thereupon ‘to*  
30 *dispose of the party as law and justice require’ [R. S. 761], does not deprive the court of*  
31 *discretion as to the time and mode in which it will exert the powers conferred upon it. That*  
32 *discretion should be exercised in the light of the relations existing, under our system of*  
33 *government, between the judicial tribunals of the Union and of the states, and in recognition of*  
34 *the fact that the public good requires that those relations be not disturbed by unnecessary*  
35 *conflict between courts equally bound to guard and protect rights secured by the Constitution.*  
36 ***When the petitioner is in custody by state authority for an act done or omitted to be done in***  
37 ***pursuance of a law of the United States, or of an order, process, or decree of a court or judge***  
38 ***thereof; or where, being a subject or citizen of a foreign state, and domiciled therein, he is in***  
39 ***custody, under like authority, for an act done or omitted under any alleged right, title,***  
40 ***authority, privilege, protection, or exemption claimed under the commission, or order, or***  
41 ***sanction of any foreign state, or under color thereof, the validity and effect whereof depend***  
42 ***upon the law of nations; in such and like cases of urgency, involving the authority and***  
43 ***operations of the general government, or the obligations of this country to, or its relations***  
44 ***with, foreign nations, [180 U.S. 499, 502] the courts of the United States have frequently***  
45 ***interposed by writs of habeas corpus and discharged prisoners who were held in custody***  
46 ***under state authority.** So, also, when they are in the custody of a state officer, it may be*  
47 *necessary, by use of the writ, to bring them into a court of the United States to testify as*  
48 *witnesses.’ Ex parte Royall, [117 U.S. 241, 250](#), 29 S. L. ed. 868, 871, 6 Sup. Ct. Rep. 734; Ex*  
49 *parte Fonda, [117 U.S. 516, 518](#), 29 S. L. ed. 994, 6 Sup. Ct. Rep. 848; Re Duncan, [139 U.S.](#)  
50 [449](#), 454, sub nom. Duncan v. McCall, 35 L. ed. 219, 222, 11 Sup. Ct. Rep. 573; Re Wood, [140](#)  
51 [U.S. 278](#), 289, Sub nom. Wood v. Bursh, 35 L. ed. 505, 509, 11 Sup. Ct. Rep. 738; McElvaine v.*  
52 *Brush, [142 U.S. 155, 160](#), 35 S. L. ed. 971, 973, 12 Sup. Ct. Rep. 156; Cook v. Hart, [146 U.S.](#)  
53 [183, 194](#), 36 S. L. ed. 934, 939, 13 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, 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*, [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, 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 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. 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. Boucher*, [175 U.S. 184](#), 44 L. ed. 124, 20 Sup. Ct. Rep. 76.  
[\[State of Minnesota v. Brundage, 180 U.S. 499 \(1901\)\]](#)

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

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

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

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

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

[26 CFR §601.702](#) *Publication and public inspection*

*(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 matter referred to in subparagraph (1) of this paragraph which is required to be published in the Federal Register, **such 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 not incorporated by reference therein pursuant to subdivision (i) of this subparagraph. Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference will not adversely change or affect a person's rights.***

14. 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 enforced DIRECTLY against persons domiciled in states of the Union absent implementing regulations is for those groups specifically exempted from the requirement. These groups include:
- 14.1. A military or foreign affairs function of the United States. [5 U.S.C. §553\(a\)\(1\)](#).
  - 14.2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. [5 U.S.C. §553\(a\)\(2\)](#).
  - 14.3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 U.S.C. §1505\(a\)\(1\)](#).
15. The Internal Revenue Code itself defines and limits the term “United States” to include only the District of Columbia and nowhere expands the term to include any state of the Union. Consequently, states of the Union are not included.



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

(a)(9) *United States*

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

(a)(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.

16. [26 U.S.C. §7601](#) limits and defines enforcement of the Internal Revenue Code and discovery related to the enforcement *only* within the bounds of internal revenue districts. Any evidence gathered by the IRS outside the District of Columbia is UNLAWFULLY obtained and in violation of this statute, and therefore inadmissible. See *Weeks v. United States*, [232 U.S. 383](#) (1914), which says that evidence unlawfully obtained is INADMISSIBLE.
17. [26 U.S.C. §7621](#) authorizes the President of the United States to define the boundaries of all internal revenue districts.
- 17.1. The President delegated that authority to the Secretary of the Treasury pursuant to Executive Order 10289.
- 17.2. Neither the President nor his delegate, the Secretary of the Treasury, may establish internal revenue districts outside of the "United States", which is then defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10), [26 U.S.C. §7701\(a\)\(39\)](#), and [26 U.S.C. §7408\(d\)](#) to mean ONLY the District of Columbia. This restriction is a result of the fact that the Constitution in Article 4, Section 3, Clause 2 only authorizes Congress to write rules and regulations for the territory and other property of the United States, and states of the Union are not "territory" of the United States:

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

[86 C.J.S. [Corpus, Juris, Secundum, Legal Encyclopedia], Territories, §1]

- 17.3. 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)]

18. [Treasury Order No. 150-02](#) abolished all internal revenue districts *except* that of the District of Columbia.
19. 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 there, 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:

1           “§79. [. . .] There cannot be two separate and independent sovereignties within the same limits  
2           or jurisdiction; nor can there be two distinct and separate sources of sovereign authority within  
3           the same jurisdiction. The right of commanding in the last resort can be possessed only by one  
4           body of people inhabiting the same territory,' and can be executed only by those intrusted with  
5           the execution of such authority.”

6           *[Treatise on Government, Joel Tiffany, Form #11.207, p. 49, Section 78;*

7           *SOURCE: <http://famguardian.org/Publications/TreatiseOnGovernment/TreatOnGovt.pdf>]*

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

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

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

36          

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

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

40           *“IRS Publications, issued by the National Office, explain the law in plain language for*  
41           *taxpayers and their advisors... While a good source of general information, publications should*  
42           *not be cited to sustain a position.”*  
43           *[IRM 4.10.7.2.8 (05-14-1999)]*

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

48          

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

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

## 9. 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. Frohmiller, 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. Rapsey, 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. 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); Taylor v. Commonwealth, 305 Ky. 75, 202 S.W.2d 992, 994 (1947); State ex rel. Hamblen v. Yelle, 29 Wash.2d 68, 185 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. 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 P.2d 336, 338 (1951); Schaeffer v. Superior Court in & for Santa Barbara County, 248 P.2d 450, 453 (Cal.App. 1952); 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. 1953); Dosker v. Andrus, 342 Mich. 548, 70 N.W.2d 765, 767 (1955); Hetrich v. County Comm. of Anne Arundel County, 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 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 West Milford v. Tp. Council of Tp. of West Milford, 123 N.J. Super. 135, 301 A.2d 781, 784 (1973); Vander Linden v. 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. 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. Theis, 217 Kan. 784, 539 P.2d 304, 323 (1975); Midwest Television, Inc. v. Champaign-Urbana Communications, Inc., 37 Ill.App.3d 926, 347 N.E.2d 34, 38 (1976); and State v. Pickney, 276 N.W.2d 433, 436 (Iowa 1979).

This same rule applies at the federal level; see United States v. Germaine, 99 U.S. 508 (1879); Norton v. Shelby County, 118 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 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 States, 182 U.S. 595, 607, 21 S.Ct. 891 (1901) - "*The law creates the office, prescribes its duties*"; Cochnower v. United States, 248 U.S. 405, 407, 39 S.Ct. 137 (1919) - "*Primarily we may say that the creation of offices and the assignment of their compensation is a legislative function. . . And we think the delegation of such function and the extent of its delegation must have clear expression or implication*"; Burnap v. United States, 252 U.S. 512, 516, 40 S.Ct. 374, 376 (1920); Metcalf & 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, 269, 76 S.Ct. 383 (1956) - "*Officers' normally means those who hold defined offices. It does not mean the boys in the back room or other agencies of invisible government, whether in politics or in the trade-union movement*"; Crowley v. Southern 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, 187 (D.Nev. 1910) - "*There can be no offices of the United States, strictly speaking, except those which are created by the Constitution itself, or by an act of Congress, and, when Congress does so establish an inferior office*"; Commissioner v. 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, 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).

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

3 D. Civil Service Status of Employees .

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

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

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

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

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

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

36 *Accordingly, all positions in the Bureau of Internal Revenue, including deputy collectors, are*  
37 *now covered into the classified civil service with the exception of those officials appointed by*  
38 *the President with the consent of the Senate.*

39 *[Declassified U.S. Government Report on the History of the Bureau of Internal Revenue, 1945;*  
40 *SOURCE: [http://famguardian.org/PublishedAuthors/Govt/IRS/Z\\_Secret.pdf](http://famguardian.org/PublishedAuthors/Govt/IRS/Z_Secret.pdf)]*

## 41 **10. Can the IRS use the Treasury Seal?**

42 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  
43 Treasury Seal, even though it looks similar. The IRS seals are published in the Federal Register and they do not look like  
44 the Treasury seals.

# 11. What the Courts Say About IRS Authority

Citing irrelevant statutes, even repeatedly by the courts, will **not** create the IRS as an agency within the Department 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 this document in 2008 A.D.

## 11.1 U.S. Supreme Court

The 1979 United States Supreme Court's decision<sup>28</sup> confirmed these facts in Chrysler Corp. v. Brown, 441 U.S. 281, at FN 23, which reads:

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

## 11.2 Federal Circuit Courts

The Supreme Court's research in Chrysler described in the previous section was confirmed 14 years later by United States Government Attorneys, in the case of Diversified Metal Products Inc. v. T-Bow Co. Trust, Internal Revenue Service, & Steve 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 Idaho Falls, Idaho, filed an impleader action on behalf of Diversified Metal Products. In his complaint of stipulated facts, at ¶ 4 he averred as follows:

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

**The courts fraudulently claim the**

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

---

<sup>28</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. M'Connell, 13 Pet. 136, 150 (1839)." *Quoting U.S. v. Mason*, 412 U.S. 391, pp. 399-400 (1973).

1 as amended, the Equal Employment Opportunity Act of 1972. That section provides that "the  
2 head of the department, agency, or unit, as appropriate, shall be the defendant." (emphasis  
3 added). **For the Commissioner of the Internal Revenue Service to be a proper defendant,**  
4 **therefore, we would have to conclude that the Internal Revenue Service is either a**  
5 **"department," "agency," or "unit." Resolution of this issue is purely a question of statutory**  
6 **interpretation.**

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

17 Plaintiff's only remaining recourse is to argue that the Internal Revenue Service is an "agency"  
18 within the meaning of § 2000e-16(c). This term is defined, however, in subsection (a) as  
19 "executive agencies as defined in § 105 of Title V." "Executive agencies" are defined in 5 U.S.C.  
20 § 105 (1970) as "an Executive Department, a Government corporation, [or] an independent  
21 establishment." Only if the Internal Revenue Service qualifies as an "executive department," a  
22 "government corporation" or an "independent establishment" can it be defined as an "agency"  
23 within the meaning of subsection (a) of § 2000e-16. Section 101 of 5 U.S.C. (1970) defines  
24 "Executive department" by listing the eleven cabinet-level departments. While the Department  
25 of the Treasury is listed, the Internal Revenue Service is not. **Thus, the Internal Revenue**  
26 **Service is not an "executive department." Section 104 of 5 U.S.C. (1970) defines**  
27 **"independent establishment" as "an establishment in the executive branch . . . which is not**  
28 **an Executive Department, Military Department, Government Corporation, or part thereof . . .**  
29 **." Because the Internal Revenue Service is clearly a part of an executive department, the**  
30 **Department of Treasury, the Internal Revenue Service does not meet the definition of an**  
31 **"independent establishment." Finally, it is not and cannot be alleged that the Internal**  
32 **Revenue Service is a government corporation within the meaning of 5 U.S.C. § 105. Thus,**  
33 **the Internal Revenue Service is not an "agency" for the purpose of § 2000e-16.**

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

### 42 **11.3 Federal District Courts**

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

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

47 **¶4. Denies that the Internal Revenue Service is an agency of the United States Government. .**  
48 **. ." (Emphasis added.)**

49 [SOURCE:

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

1 The courts even ridiculously cite the

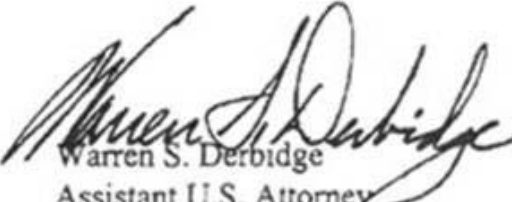
2 "Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. No. 105-106, Title I,  
3 §1001, 112 Stat. 689 (1998); . . ."  
4 [Quoting USDC W.D. MI, So. Div. case No. 1:05-CV-201 (4-10-06) at 12]

5 as yet still another authority for the creation of the IRS, when all this law did was give the Commissioner the authority to  
6 "reorganize" the IRS not "create" it, and **nothing** more!

7 **12. DOJ Has No Authority to Prosecute Tax Crimes Against Anyone other than**  
8 **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

9  
10 Since the IRS is not an agency within the United States Government, **the DOJ has no apparent powers of attorney to**  
11 **represent the IRS in any federal court.** The responsibility of the Department of Justice is to prosecute individuals for  
12 violation of the tax code (not "law", but "code"). Their authority is derived from 28 CFR §0.70, which you can read for  
13 yourself at:

14 <http://squid.law.cornell.edu/cgi-bin/get-cfr.cgi?TITLE=28&PART=0&SECTION=70&TYPE=TEXT>

15 The U.S. Attorney Manual, Section 6-1.000 describes their lawful role in tax prosecutions, which is also available at our  
16 website at:

17 <http://famguardian.org/Publications/USAttyManual/title6/title6.htm>

18 The Department of Justice prosecutes tax crimes using a document called the Department of Justice, Tax Division,  
19 Criminal Tax Manual. The 1994 version of this document is posted on our website in its entirety for you to read and  
20 examine at <http://famguardian.org/>. The IRS relies on the Department of Justice to:

- 21 1. Decide whether a particular tax case should be litigated.
- 22 2. Institute the litigation.
- 23 3. Criminally prosecute against tax crimes which they have delegated authority to prosecute.

24 If you examine the U.S. Attorney's Manual, the Department of Justice has NO delegated authority to prosecute tax crimes  
25 involving U.S. citizens. Here is the section from their manual dealing with their authority to prosecute tax crimes involving  
26 the IRS:

27 *U.S. Attorney's Manual*

6-4.270 Criminal Division Responsibility

**The Criminal Division has limited responsibility for the prosecution of offenses investigated by the IRS. Those offenses are: excise violations involving liquor tax, narcotics, stamp tax, firearms, wagering, and coin-operated gambling and amusement machines; malfeasance offenses committed by IRS personnel; forcible rescue of seized property; corrupt or forcible interference with an officer or employee acting under the internal revenue laws (but not omnibus clause); and unauthorized mutilation, removal or misuse of stamps. See 28 C.F.R. Sec. 0.70.**

[Section 7801 of the Internal Revenue Code](#) concurs with the above description:

*Internal Revenue Code  
Sec. 7801. Authority of Department of the Treasury*

*(a) Powers and duties of Secretary*

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

*(b) Repealed. Pub. L. 97-258, Sec. 5(b), Sept. 13, 1982, 96 Stat. 1068, 1078)*

*(c) Functions of Department of Justice unaffected*

***Nothing in this section or section 301(f) of title 31 shall be considered to affect the duties, powers, or functions imposed upon, or vested in, the Department of Justice, or any officer thereof, by law existing on May 10, 1934.***

**QUESTION FOR DOUBTERS:** Do you see anything in the above authority of the DOJ relating to prosecuting tax crimes involving any of the following? We don't!:

1. Tax evasion of income taxes ([26 U.S.C. §7201](#))
2. Frivolous returns ([26 U.S.C. §6702](#))
3. Willful failure to file ([26 U.S.C. §7203](#))

You can confirm the conclusions of this section for yourself on the Internet. Section 9-4.139 of the Department of Justice, U.S. Attorney's Manual (USAM) found on the DOJ website at:

[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)

has a listing of all of the statutes within the Internal Revenue code and the specific agency that has "investigative jurisdiction" for that statute. The agency with "investigative jurisdiction" is the agency responsible for enforcing a specific statute. All of the criminal provisions of the Internal Revenue Code are found in sections 7201 through 7209 of the Internal Revenue Code. In order to have investigative jurisdiction, an agency *must* write an implementing regulation that then creates the authority and the procedure to enforce a specific criminal provision upon a specific tax under the Internal Revenue Code. For instance, if there were an implementing regulation written by the IRS for Willful Failure to File for Subtitle A income taxes, the regulation number would be 26 CFR §1.7203, but there is no such regulation! There are *no implementing regulations* for *any* tax crimes for Subtitle A income taxes. The consequence is that there is *no agency* with "investigative jurisdiction" to enforce the criminal provisions of the Internal Revenue Code against anyone other than the government's own employees 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>

The org chart for the IRS also confirms that the IRS is NOT an enforcement agency because it does not fall under the Undersecretary for Enforcement within the Department of the Treasury, as shown below:



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

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 who has investigative authority for tax crimes under the Internal Revenue Code, repeated here for your benefit:

**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

This is a tacit admission by our government that *no agency may enforce the criminal provisions of the Internal Revenue Code*, 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* investigate crimes related to the Internal Revenue Code without the above authority or an implementing regulation, then they are acting *unlawfully* and have exceeded the authority delegated to them by the U.S. codes and the regulations that implement them which are written by the Secretary of the Treasury. They can be prosecuted for libel and any number of crimes if their illegal action causes you any kind of injury or expense.

Subsequent to the writing and publication of this section, the Department of Justice rewrote the above entry in their table. Sometime between February 2002 and July 2005, the entry was changed to read:

**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.

The above entry is fraudulent, because:

1. The same Department of Justice admitted that the IRS is NOT an agency of the federal government. See:

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

The reason the IRS is not an agency of the federal government is that it isn't carrying out a constitutional function within the Union states and therefore it is an independent creation of Congress that only has jurisdiction over matters INTERNAL to the federal zone, as is shown throughout the *Tax Fraud Prevention Manual*, Form #06.008, Chapter 7. That is why they are called the INTERNAL Revenue Service to begin with. Even the IRS identifies itself NOT as an "agency", but a "bureau". See their document 7233 at the link below. Search for the word "bureau" and you will see what we mean:

[http://famguardian.org/PublishedAuthors/Govt/IRS/irs\\_75\\_years.pdf](http://famguardian.org/PublishedAuthors/Govt/IRS/irs_75_years.pdf)

2. There are not implementing regulations published in the Federal Register authorizing enforcement of I.R.C. Subtitle A against private persons in states of the Union. The only people the IRS can enforce against are federal instrumentalities 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 be the target of penalties absent said publication.

Therefore, the DOJ is LYING in the new version U.S. Attorney's Manual above, and they know it, because a U.S. Attorney basically admitted as much in the link above.

The DOJ's website confirms the fact that the IRS is **not** a federal agency by correctly providing the lawful definition of "agency" on its website.<sup>29</sup> It is presumed that "only" the Chief Counsel to the IRS (with the proper lawful delegation

<sup>29</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

orders), as the Assistant Counsel to the Secretary of the Treasury under 31 U.S.C. §301(f)(2), has any lawful authority to represent the IRS in a federal territorial court. However, the DOJ 'does' have Congressional legislative authority to represent bona-fide federal agencies in appropriate courts. (See 28 U.S.C. §547)

On 3/16/08 the DOJ's website at:

<http://www.usdoj.gov/02organizations/>

specifically listed the Act of Congress that created the Office of Attorney General as the "Judiciary Act of 1789, ch. 20, sec. 35, 1 Stat. 73, 92-93 (1789)", and that "Congress passed the Act to Establish the Department of Justice, ch. 150, 16 Stat. 162 (1870) setting up as "an executive department of the government of the United States" with the Attorney General as its head." Why then does this information NOT appear with regards to the Internal Revenue Service as a department of the United States government on any website?? BECAUSE IT WAS NEVER ESTABLISHED AS A GOVERNMENTAL ENTITY!!!

### 13. What Congress Says About the IRS

The most fascinating and impassioned debate about taxes we have found appears in the Congressional Record and was presented by Congressman Reeves of New York on June 2, 1870. Below is his very lucid definition of Congress' authority to tax within states of the Union, and why the mis-enforcement and mis-representation of the income tax laws by the IRS is not authorized by the Constitution. We have highlighted the important parts to emphasize them:

*Income tax.*  
*REMARKS OF HON. H. A. REEVES, OF NEW YORK,*  
*IN THE House OF REPRESENTATIVES,*  
*June 2, 1870,*

*On the bill (H.R. No. 2015) to reduce internal taxes,*  
*and for other purposes.*

*Mr. REEVES. Mr. Speaker, I desire, in as brief a manner as possible, to state some considerations which constrain me to vote for the motion of my colleague [Air. MCCARTHY] to strike out the provisions of this bill relating to the income tax. 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 inference that I approve the principle of such a tax, and merely favor its reduction to a lower figure from prudential or political motives.*

*I oppose its theory and its practice, its principle as well as its policy, and shall so vote. The main controlling reason that sways my judgment is one to which comparatively little attention, incidental allusion only, has been given in the discussion on either side of this question, as, indeed, unhappily seems to be the case with many other questions that come before this House. It relates to the constitutional power of Congress to enact such a law. The fact that it was enacted by a previous Congress, and has continued in force from that time to this, annually extorting vast sums of money from the pockets of "a favored few," whom the caprice of fortune happened to have endowed with a surplus of filthy lucre over and above an arbitrary limit, and with the rare honesty to tell the truth when pressed in the close embrace of the internal revenue's "Black Maria," does not in the least remove this constitutional difficulty, does not confer on the present Congress the smallest modicum of new power, and does not in any degree lessen the duty incumbent on all honest legislators to carefully examine the warrant and measure of the power they are invited to exercise. We have before us in the pending bill provisions for reenacting and enforcing the income tax substantially in the same form and upon the same basis as when it was first created by the fiat of Congress.*

---

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        *The increase in the amount of exemption from ten to fifteen hundred dollars, which is the*  
2        *only really new feature in this bill, while it diminishes the number of those upon whom the law*  
3        *takes effect, does not alter or affect the principle or lack of principle involved in its original*  
4        *enactment. If from the first it was a usurpation, void of any constitutional authority, it*  
5        *remains just the same now, for the Constitution has not in the interim been " amended" so as*  
6        *to bestow on Congress any new grant of power in respect to taxation. What, then, did and*  
7        *does the Constitution provide touching this vital matter of laying and collecting taxes, this*  
8        *supreme power over the purse of the people, second only in the attributes of delegated*  
9        *authority to that control over the lives of the people which results from the undoubted right to*  
10       *declare war and conclude peace ? Does the Constitution authorize Congress to levy a tax on*  
11       *incomes?*

12       *I maintain that it does not; and I am persuaded that had this question been fairly presented to*  
13       *the Supreme Court of the United States, judicially constituted, it would have been definitely*  
14       *settled in the negative. What says the Constitution upon the subject of taxation? There are*  
15       *but four places in the Constitution, and none in the articles of amendment thereto, where the*  
16       *subject of taxation is treated, namely, clause three of section two of article one; clause one of*  
17       *section eight of article one; clauses four and five of section nine of article one; and clause*  
18       *two of section ten of article one. A careful analysis and comparison of these provisions leaves*  
19       *no doubt on my mind that the existing tax on incomes, which it is proposed to reenact, does*  
20       *not fall within the enumerated or clearly-implied powers of Congress, and is therefore*  
21       *absolutely void. Let us examine these various provisions of the Constitution in the order in*  
22       *which they stand in that instrument.*

23       *The third clause of section two of the first article reads as follows:*

24                    *"Representatives and direct taxes shall be apportioned among the*  
25                    *several States which may be included within this Union according to*  
26                    *their respective numbers, which shall be determined by adding to the*  
27                    *whole number of free persons, including those bound to service for a term*  
28                    *of years, and excluding Indians not taxed, three fifths of all other*  
29                    *persons.*

30       *The rest of the clause relates to the mode of taking the census, &c. This is an affirmative and*  
31       *peremptory regulation of the mode of levying direct taxes, and commands that they shall in*  
32       *all cases be apportioned among the States according to population. Section eight, which*  
33       *specifies the particular powers of Congress, the primary powers from which secondary ones*  
34       *are implied, under the provision that Congress shall have the right "to make all laws which*  
35       *shall be necessary and proper for carrying into execution the foregoing powers," in its first*  
36       *clause says:*

37                    *"To lay and collect taxes, duties, imposts, and excises; to pay the debts*  
38                    *and provide for the common defense and general welfare of the United*  
39                    *States; but all duties, imposts, and excises shall be uniform throughout*  
40                    *the United States."*

41       *This is an explicit limitation as to duties, imposts, and excises, that their operation shall be*  
42       *uniform throughout the country, and the reason that the word " taxes" does not occur in the*  
43       *limitation. as it does in the grant of power to lay and collect, is manifestly because of the*  
44       *distinction already made between direct and indirect taxes, the former of which had been*  
45       *ordered to be apportioned " among the several States" according to population, while the*  
46       *latter alone were to be made "uniform throughout the United States."*

47       **Duties are charges laid upon goods exported, imported, or consumed; imposts**  
48       **are charges laid upon products of industry, and are generally applied only to**  
49       **commodities when imported into a country; and excises are charges laid upon**

1 franchises or licenses to carry on particular lines of trade or branches of  
2 business. Congress has the clear constitutional right to lay and collect  
3 charges of these sorts; but if it does so the law must have a uniform operation  
4 in all the States; there must be no exceptional privileges to one section, no  
5 favoritism to one class; all sections and all classes must share alike in the  
6 burdens as well as the benefits of the General Government. Congress also  
7 has, under this same clause, an equally clear right to "lay and collect taxes,"  
8 meaning by that significant little word, "direct" taxes, for no other are  
9 referred to in the Constitution; but it is bound to see that such taxes,  
10 whenever laid and collected, shall be "apportioned among the several States  
11 ac-cording to their respective numbers."

12 Section nine, which specifically circumscribes, defines, and restrains the powers of Congress,  
13 in its fourth clause ordains :

14 "No capitation or other direct tax shall be laid, unless in proportion to  
15 the census or enumeration hereinbefore directed to be taken."

16 This is a repetition, with redoubled emphasis, of the restriction contained in the third clause  
17 of the second section, before referred to, and makes it absolutely certain that no direct tax can  
18 be levied by Congress except in pro-portion to population. Clause five of section nine forbids  
19 Congress from levying a tax or duty "on any article exported from any State." Clause two of  
20 section tea prohibits the State from laying "any imposts or duties on imports or exports,  
21 except what may be absolutely necessary for executing its inspection laws;" and also from  
22 levying any "duty of tonnage."

23 These are all the provisions of the Constitution in relation to taxation. Do  
24 they severally or collectively authorize Congress today a tax on incomes?  
25 What kind of a tax is it ? If a direct tax, within the meaning of the  
26 Constitution, it must be apportioned according to population. Is it thus  
27 apportioned? Nobody so pretends. A reference to the last published report of the  
28 Commissioner of Internal Revenue will demonstrate that it was not apportioned according to  
29 population. From that suggestive document it appears that the State of New York paid on  
30 account of the income tax for the year 1868 the sum of \$10,726,769 21, while the State of Ohio  
31 paid for the same period \$2,039,588 99. By the census of 1860 New York had a population of  
32 3,880,735, while Ohio had a population of 2,339,511.

33 Assuming that this income tax had been apportioned according to population, and that the  
34 amount collected from the people of Ohio was in just accordance with the unit of  
35 apportionment, whatever that might be, then the amount levied upon the people of New York  
36 should have been less than three and a half millions instead of almost ten and three quarters  
37 millions ; or, to take the reverse of the hypothesis, if the amount collected from the people of  
38 New York was according to the unit of measurement, Ohio ought to have paid nearly six and a  
39 half millions instead of a little over two millions. Similar analogies, or antitheses rather, yet  
40 more striking than that afforded by this parallel between New York and Ohio, might he drawn  
41 from the same full repertory of official testimony to the inequality, the injustice, and the utter  
42 incompatibility of this tax with the provision of the Constitution that all direct taxes shall be  
43 according to numbers; but it would be useless. No one contends that the income tax is  
44 apportioned according to numbers, and no proofs are needed to show that it is not so  
45 apportioned. It only remains to consider whether it is a direct tax within the meaning of the  
46 Constitution.

47 To the determination of such a question no surer test can be applied than that  
48 which is supplied by the Constitution itself, to wit: can the tax be apportioned

1 among the several States according to numbers? I maintain that it can and  
2 ought to be so apportioned, if laid at all; and this appears to be clear from a  
3 consideration of the important and most suggestive words among the  
4 several States," in connection with and direct sequence to the words "  
5 shall be apportioned." These words are evidently inseparable, and in  
6 any complete view of the question must be taken together. Taking them  
7 together, they can be construed in no other sense than as forming the  
8 substantive proposition of the sentence, which is qualified as a whole,  
9 and not in its separate parts, by the subsequent words "according to their  
10 respective numbers." It follows, therefore, that any tax which is  
11 susceptible of apportionment, not among individual citizens of the  
12 States, but among the States themselves, in just proportion to their  
13 respective population, is a direct tax, and must be so apportioned as the  
14 Constitution directs.

15 *Is the income tax of that character? The only ground for doubt is the element of uncertainty as*  
16 *to the amount which such a tax may yield. Because the net income of the country cannot be*  
17 *determined in advance, and because we could not tell beforehand what the tax arbitrarily*  
18 *proposed to be assessed against that income would amount to, it seems to have been assumed*  
19 *that the tax could not be apportioned according to population. If the Constitution provided for*  
20 *an apportionment among individuals this would be true, and would constitute a valid defense of*  
21 *the tax against any such objection; but we have seen that the apportionment must be "among*  
22 *the several States," in the doing of which there would be found no impossibility and no serious*  
23 *difficulty. All the data requisite for a fair, safe, and correct estimate of the income reasonably*  
24 *certain to accrue from the active business and the invested wealth of the country are at hand,*  
25 *and are sufficient to fix the aggregate revenue to be derived from that source. This done, the*  
26 *apportionment becomes simply a matter of arithmetic, of easy calculation.*

27 *If the maximum sum of \$25,000,000 were to be raised under the head of a tax on incomes*  
28 *the proportion which the population of any State bears to the whole population fixes the amount*  
29 *to be collected from that State. Then, if we remit the collection to the States, abolishing the*  
30 *Federal machinery now in use, each State will collect its share in whatever mode it may*  
31 *prefer, and pay over to the Federal Treasury the whole sum assessed upon it, free from any*  
32 *deductions on account of expense of collection-certainly a great saving over the present system,*  
33 *which costs nearly or quite twenty-five per cent. This would be a truly equal and equitable, a*  
34 *truly effective and economical method of direct taxation for Federal purposes; it would comply*  
35 *strictly with the constitutional requirement ; it would exactly accord with the spirit and*  
36 *intent of the framers of that instrument, whose great object was to devise a scheme of*  
37 *Government the operation of which should, above every other attribute, bear equally upon all*  
38 *the people of all the States.*

39 *Taxation, or the power of compelling the people to part with some of their possessions for the*  
40 *purpose of being protected in the enjoyment of the remainder, was a subject which they*  
41 *had pondered deeply and had mastered in all its comprehensive extent and bearing. All the*  
42 *ordinary protection which organized society needs being afforded by the existing State*  
43 *governments, they had only to provide means for enabling the Federal agency of the States to*  
44 *perform its intended functions. This they did in the clauses of the Constitution which I*  
45 *have cited. In my judgment no candid mind can examine those provisions and compare them*  
46 *with the whole scope and body of the instrument without coming to the conclusion that the*  
47 *power conferred on Congress to lay and collect taxes is both expressly and impliedly limited*  
48 *to " direct" taxes ; that, in brief, the word tax, wherever it occurs in the Constitution, means*  
49 *a "direct" tax, and that, as equality (the grand, distinguishing element of the Constitution)*  
50 *could only be maintained by dividing the burdens it imposes among all the States according*  
51 *to population, it was appointed so to be done in terms as explicit as could well be used.*

1 No one then dreamed of spreading a network of Federal tax-gatherers  
2 over the land more numerous and more wasting than the "swarm"  
3 which the colonists complained had been sent from Great Britain to "  
4 harass the people and eat out their substance ;" it was never  
5 contemplated that Congress should lay its grasping hands on the  
6 earnings of business or the gains of capital for any purpose whatever,  
7 and certainly nobody dared imagine that, should such a bold stretch of  
8 Federal authority ever be exercised, it would seek to execute itself  
9 without regard to the clear directions of the very instrument on which  
10 alone it could rely for its warrant.

11 I stop not now to discuss the flagrant injustice of a tax on the earnings of business, be they more  
12 or less ; the inequality of a tax on the gains of accumulated capital which, how-ever fair and  
13 just in theory, is incapable of being reduced to practical effect without inflicting gross  
14 wrongs on individuals; the inquisitorial, odious, and tyrannical character of an income tax,  
15 however apportioned and levied ; nor any of the other grave objections which have been so  
16 well presented and illustrated by others. **For me it is enough to be convinced that such a tax**  
17 **is at variance with the spirit and letter of the Constitution.** That view of the question once fixed  
18 in my mind, I am concluded from any incidental consideration of advantages or disadvantages  
19 that may attend the proposed measure. But one course lies before me, and that leads straight to  
20 the vote I shall cast.

21 In this connection I only need to glance at another aspect of the question confirmatory of  
22 the one I have already taken and susceptible of being put into the compact and concise  
23 form of a syllogism whose cogency countervails the necessity for further argument.

24 Income is derived from two sources, earnings and invested capital. In either case, when  
25 considered as a basis for taxation, it is inseparably associated with, and in greater or less part  
26 is made up from the rents, gains, or profits of land. **A tax on incomes is therefore, in**  
27 **substance and in fact, a tax on land.** There may be, as we know there are, individuals who do  
28 not own a foot of land, and a tax on whose income would in no sense involve the idea of taxing  
29 lands; but this can be said of a few only out of the mass of those whose incomes are subject  
30 to tax; indeed a large, if not the largest, part of the taxed incomes in this country comes  
31 from the rents, gains, or profits of land. **Now, it has been distinctly and repeatedly held that**  
32 **a tax on lands is a "direct" tax such as the Constitution requires to be apportioned "among**  
33 **the several States," as much so as the capitation tax itself. Hence, the income tax, involving**  
34 **as it inevitably does the principle of taxing lands, is a "direct" tax. Being a direct tax, it**  
35 **must be apportioned as the Constitution commands. But it is not so apportioned.**  
36 **Therefore the tax is unconstitutional, and should be immediately abrogated.**

37 **I know, Mr. Speaker, it may appear presumptuous for one little versed in the subtleties of**  
38 **dialectics, much less in the maxims and canons of constitutional interpretation, to essay**  
39 **an argument of this kind, based solely upon a construction of the Constitution. But I am**  
40 **profoundly impressed with the belief that the great men who framed our Constitution**  
41 **meant to make it so plain that even the most unlettered need not err as to its meaning, and**  
42 **that one of its cardinal merits is this very fact that they did succeed in imbedding the**  
43 **immortal principles of civil and religious liberty, which filled their own minds, in language at**  
44 **once so simple, so perspicuous, so nervous, and so strong as could neither be washed away**  
45 **by sophistry nor broken down by the weight of glosses and critical emendations.**

46 It is in the light of this plain, common sense understanding of the Constitution that I have  
47 attempted to explore its meaning with respect to the question of taxation. **I also know**  
48 **that it is unfashionable and unusual in this revolutionary period to even refer to a**  
49 **document whose precepts, once sacred, have now become almost obsolete; that he who**  
50 **avows devotion to the fundamental source of all power in a free government, the will**

1 of the people embodied in a written constitution, is too apt to be stigmatized as  
2 obstructive, unprogressive, old-fogish, or by still harsher terms ; that partisan  
3 malevolence even sees " disloyalty" in a text and "treason" in a paragraph from the  
4 grand gospel of our American freedom.

5 *Be it so. I gladly accept the odium and proudly wear the brand which*  
6 *attaches to the unwavering few who still uplift the banner of "the*  
7 *Constitution as it was;" the integrity of the Union which our fathers*  
8 *established, and which, administered in the spirit of its authors, for*  
9 *seventy years poured manifold blessings upon all the people; the*  
10 *sovereignty of the States as the creators of the new political system then*  
11 *established, which, allowed to distribute harmoniously its beneficent*  
12 *influences, expanded the few and feeble members of the Confederacy*  
13 *into the august proportions of a mighty republic of republics; the*  
14 *supremacy and undivided rule of the superior white race-in fine, all the*  
15 *glorious truths of the earlier and purer days of American democracy,*  
16 *before "new lights" had risen to shed their baleful glare over a land till*  
17 *then united, free, and happy; before sectional passions had been*  
18 *organized to do their devil's work of alienation and distrust; before*  
19 *fanaticism and folly had combined to rend asunder the silken cords of*  
20 *fraternal affection and mutual esteem which held us together with bands*  
21 *infinitely stronger than "hooks of steel."*

22 *In those days debt and taxation, bonds and bondholders, were figments*  
23 *of the imagination, not the tremendous realities which now confront us ;*  
24 *in those days peace, real peace, prosperity, real prosperity, liberty, real*  
25 *liberty, sat triply throned in our midst and held their scepter of bounty*  
26 *and blessing over thirty million freemen. If to wish those halcyon days*  
27 *back again, with all the "sin and shame" which a maudlin*  
28 *sentimentality affected to find in their train, be doughfacism or*  
29 *demagogery or anything most obnoxious to " loyal' sensibilities, I glory*  
30 *to be so denounced.*

31 *[Congressional Globe, 41<sup>st</sup> Congress, Second Session, June 2, 1870, pp. 446-447,*  
32 *emphasis added. You can view the original version of this document yourself at:*  
33 *[http://famguardian.org/TaxFreedom/Evidence/Congressional/CongGlobe-pp446-](http://famguardian.org/TaxFreedom/Evidence/Congressional/CongGlobe-pp446-447.pdf)*  
34 *[447.pdf](http://famguardian.org/TaxFreedom/Evidence/Congressional/CongGlobe-pp446-447.pdf)]*

#### 35 **14. Name of "IRS" Didn't Come from Any Law. It was MADE UP**

36 In 1972, an Internal Revenue Manual ("IRM") 1100 was published in both the Federal Register and the Cumulative  
37 Bulletin; see 37 Fed Reg. 20960, 1972-2 Cum. Bul. 836. On the very first page of this statement published in the bulletin,  
38 the following admission was made. (We have emphasized the significant sections):

39 *"(3) By common parlance and understanding of the time, an office of the importance of the*  
40 *Office of Commissioner of Internal Revenue was a bureau. The Secretary of the Treasury in his*  
41 *report at the close of the calendar year 1862 stated that "The Bureau of Internal Revenue has*  
42 *been organized under the Act of the last session...." Also it can be seen that Congress had*  
43 *intended to establish a Bureau of Internal Revenue, or thought they had, from the act of March*  
44 *3, 1863, in which provision was made for the President to appoint with Senate confirmation a*  
45 *Deputy Commissioner of Internal Revenue 'who shall be charged with such duties in the bureau*  
46 *of internal revenue as may be prescribed by the Secretary of the Treasury, or as may be*  
47 *required by law, and who shall act as Commissioner of internal revenue in the absence of that*

1           *officer, and exercise the privilege of franking all letters and documents pertaining to the office*  
2           *of internal revenue.' In other words, 'the office of internal revenue' was 'the bureau of internal*  
3           *revenue,' and the act of July 1, 1862 is the organic act of today's Internal Revenue Service."*  
4           *[Federal Register and the Cumulative Bulletin; see 37 Fed Reg. 20960, 1972-2 Cum. Bul. 836;*  
5           *SOURCE: <http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/37FR20960-20964->*  
6           *[OrgAndFunctions.pdf](http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/37FR20960-20964-OrgAndFunctions.pdf)]*

7           This statement, which appears again in a similar publication appearing at 39 Fed. Reg. 11572, 1974-1 Cum. Bul. 440, as  
8           well as the current IRM 1100, essentially admits that Congress never created either the Bureau of Internal Revenue, or the  
9           Internal Revenue Service. To conclude that "*it can be seen that Congress had intended to establish a Bureau of Internal*  
10           *Revenue, or thought they had*" (see IRM 1111.2 - Organic Act) (Emphasis added) - is an admission that even the  
11           government itself cannot find anything whatsoever which actually created either agency. The only office created by the act  
12           of July 1, 1862, was the Office of the Commissioner of Internal Revenue (*not* the Commissioner of Internal Revenue  
13           Service); neither the Bureau of Internal Revenue, nor the or an "Internal Revenue Service" was created by any of these  
14           acts.

15           We have no doubt that, when the employees of the "Internal Revenue Service", and, perhaps others, were researching the  
16           origins of the so-called agency so that this statement could be included in the IRM 1100, that these employees and other  
17           people must have performed a very thorough and exhaustive investigation. We are sure that the position of the "Internal  
18           Revenue Service" regarding how the alleged "Internal Revenue Service" came into being is the best that could be written  
19           under these circumstances.

20           However, besides the problem that these acts simply did not create either the "Bureau of Internal Revenue" or the "Internal  
21           Revenue Service", there exists the fact that these acts were repealed by the adoption of the Revised Statutes of 1873.  
22           Therefore, it would appear that your "agency" has never actually been created by any act of Congress. This is obviously a  
23           serious flaw, and creates some valid and serious legal problems.

24           Furthermore, we have discovered the following: There was an entity known as the "Bureau of Internal Revenue" which was  
25           renamed "Internal Revenue Service", as revealed by Department of Treasury Order 150-06, dated July 9, 1953, (see below)  
26           and further, by Treasury Decision 6038, entitled "Change of Nomenclature". However, an examination of the General  
27           Records of the Department of the Treasury (Record Group 56) 1789-1990, 56.1, Administrative History, from the National  
28           Archives and Record Administration reveals that no agency/entity called "Bureau of Internal Revenue" is listed in the  
29           "Former administrative units of the Treasury Department". In addition, the National Archives and Record Administration  
30           states:

31           *"The Tax Act of 1862 authorized a permanent internal revenue establishment, the Office of the*  
32           *Commissioner of Internal Revenue, which supervised a network of district collectors and*  
33           *assessors and other field agents, and which was informally known as the Bureau of Internal*  
34           *Revenue. It was formally redesignated the IRS, 1953." (Emphasis added.)*

35           "Informally known" means that no such agency was ever statutorily created, and that an "informally known" nickname was  
36           renamed ("redesignated") "IRS" in 1953.

37           We have also located the following documents: 27 CFR §201, which is entitled "Short title", is cited as the "Federal  
38           Alcohol Administration Act." In § 201, under HISTORY: ANCILLARY LAWS AND DIRECTIVES, is found the  
39           following:

40           *"Transfer of functions:*

41           *Federal Alcohol Administration and offices of members and Administrator thereof were*  
42           *abolished and their functions directed to be administered under direction and supervision of*  
43           *Secretary of Treasury through Bureau of Internal Revenue [now Internal Revenue Service] in*  
44           *Department of Treasury, by Reorg. Plan No. 3 of 1940 which appears as 5 USCS § 903 note...*  
45           *The Department of the Treasury Order 221 of July 1, 1972, established the Bureau of Alcohol,*  
46           *Tobacco and Firearms and transferred to it the alcohol and functions of the Internal Revenue*  
47           *Service." (Emphasis added.)*



1 The last sentence of the above section clearly states that "the functions" of the Internal Revenue Service were "transferred"  
2 to the Bureau of Alcohol, Tobacco and Firearms when the BATF was established. The term used in this cite is "the  
3 functions", not "some of the functions", or "certain functions", or any other term which would imply a limited transfer of  
4 specific, limited functions. The use of the all-inclusive term "the functions" thus implies that all functions of "IRS" were  
5 transferred to BATF upon BATF's establishment. If all of the functions" of "IRS" were transferred to BATF upon BATF's  
6 establishment, then which specific "functions" does "IRS" handle at present, if any?

7 The Treasury's website at:

<http://www.treasury.gov/education/duties/bureaus/irs.shtml>

8 **can therefore only be meant to intentionally deceive the public for illicit purposes, for Congress did NOT create a**  
9 **Bureau of Internal Revenue in 1862, or later!** It also should be noted that on the same website can be found: "the Bureau  
10 of Internal Revenue was reorganized in 1953 and renamed the Internal Revenue Service", but what is **not** mentioned is that  
11 the renaming was performed by a mere **stroke of a pen** by Secretary of the Treasury, G.K. Humphrey, who authored  
12 Treasury Order No. 150-06 "without" the consent or delegated authority of Congressional through statutory enactment to  
13 support the unchallenged (illegal) maneuver. Humphrey intended to turn a **pure trust** of either the Philippines (Trust #2-  
14 **internal revenue**) or the **pure trust** of Puerto Rico (Trust #62-**Internal Revenue**) into a department within the Department  
15 of the Treasury **without the Legislature's statutory backing**. The records are well hidden, which makes  
16 it impossible to determination just which Bureau was targeted and used by Humphrey.

17 Also in 31 U.S.C. §1321, the list of Trust Funds maintained by the Treasury, we have found the following: Section 1321(2)  
18 and 1321(62) are named respectively as follows:

19 *"(2) Philippine special fund (internal revenue).*

20 *(62) Puerto Rico special fund (Internal Revenue)."*

21 Again, we find a reference to the Philippines (and Puerto Rico - see below, 27 CFR §250.11), with the words "internal  
22 revenue" (and "Internal Revenue") used to define the Philippines and Puerto Rico respectively. And the spelling and  
23 capitalization of the two terms is the only thing which indicates which is the Philippine and which the Puerto Rico special  
24 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!

25 Then on 6 June 1972 yet another Treasury Order (#120-01) was issued **by yet another stroke of a pen** by then  
26 Acting Secretary Walker, and included the alleged authority of Reorganization Plan No. 26 of 1950, which (illegally)  
27 established the Bureau of Alcohol, Tobacco and Firearms (BATF) **without Congressional statutory enactment for support**  
28 of this underhanded maneuver, to include the BATF under the authority of Internal Revenue Service. Walker assigned  
29 certain sections of the IRC of 1954 and the Federal Alcohol Administration Act (27 U.S.C. §8) to the new BATF. But the  
30 BATF had been ruled unconstitutional in the states of the Union in 1935 because prohibition had been repealed by the 21<sup>st</sup>  
31 Amendment. But through a series of complicated and perplexing maneuvers obviously designed to obfuscate the truth,  
32 transferred all such (illegal) authority right back to the IRS. See Federal Register, Volume 41, Number 180, of Wednesday,  
33 September 15, 1976 for this:

1                   “The term ‘Director, Alcohol, Tobacco and Firearms Division’ has been replaced by the  
2                   term ‘Internal Revenue Service’.”

3                   What the above makes clear is that "Internal Revenue Service" is, at least in this case, simply another name - an alias, or, as  
4                   the Federal Register clearly states, a "term" - for the term "Director, Alcohol, Tobacco and Firearms Division", which is  
5                   itself (as stated) a term, and not an agency which Congress has ever created.

## 6                   **15. If not an organization within the U.S. Department of the Treasury, then what** 7                   **exactly is the IRS?**

8                   The IRS appears to be a collection agency for foreign banks, operating out of Puerto Rico under color of the Federal  
9                   Alcohol Administration, which was declared unconstitutional by the U.S. Supreme Court in the case of U.S. v. Constantine,  
10                  296 U.S. 287 (1935).

11                  The United States Court of Appeals for the First Circuit has identified a second “Secretary of the Treasury” as a man by the  
12                  name of Manual Diaz-Saldana. See 27 CFR §26.11 and Used Tire International, Inc. v. Manual Diaz-Saldana, docket  
13                  number 97-2348, September 11, 1998.

14                  When all the evidence is examined objectively, IRS appears to be a money laundering, extortion racket, and conspiracy to  
15                  engage in a pattern of racketeering activity, in violation of 18 U.S.C. §1961 et seq. (RICO). Think of Puerto RICO  
16                  (Racketeer Influenced and Corrupt Organizations Act); in other words, it is an organized crime syndicate.

17                  The Internal Revenue Service entered into a "service agreement" with the U.S. Treasury Department [See: Public Law 94-  
18                  564; Legislative History, pg. 5967; Reorganization Plan No. 26] and the Agency for International Development, pursuant to  
19                  Treasury Delegation Order No. 91. The Agency For International Development is an International paramilitary operation  
20                  [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  
21                  U.S.C.A. §284], and includes such activities as "Assumption of full or partial executive, legislative, and judicial authority  
22                  over a country or area." [See: FM 41-10, pg. 1-7, Section 110(7)(c )(4)] also see, Agreement Between The United Nations  
23                  And The United States Of America Regarding The Headquarters Of The United Nations, Section 7(d) & (8), 22 U.S.C.A.  
24                  §287 (1979 Ed.) at pg. 241. It is to be further observed that the "Agreement" regarding the Headquarters District of the  
25                  United Nations was NOT agreed to [See: Congressional Record - Senate, December 13, 1967, Mr. Thurnond], and is  
26                  illegally in the Country in the first instant.

27                  The International Organizational intents, purposes, and activities include complete control of "Public Finance" i.e. "control,  
28                  supervision, and audit of indigenous fiscal resources; budget practices, taxation. expenditures of public funds, currency  
29                  issues, and banking agencies and affiliates." [See: FM 41-10, pgs. 2-30 through 2-31, Section 251. Public Finance] This of  
30                  course complies with "Silent Weapons For Quiet Wars" Research Technical Manual TM-SW7905.1, which discloses a  
31                  declaration of war upon the American people (See: pgs. 3 & 7), monetary control by the Internationalist, through  
32                  information etc., solicited and collected by the Internal Revenue Service [See: TM-S\7905.1, pg. 48, also see, 22 U.S.C.A.  
33                  §286f & Executive Order No. 10033, 26 U.S.C.A. §6103(k)(4)] and who is operating and enforcing the seditious  
34                  International program. [See: TM-S\7905.1, pg. 52] The 1985 Edition of the Department Of Army Field Manual, FM 41-  
35                  10 further describes the International "Civil Affairs" operations. At page 3-6 it is admitted that the A.I.D. is autonomous  
36                  and under direction of the International Development Cooperation Agency, and at pages 3-8, that the operation is  
37                  "paramilitary." The International Organization(s) intents and purposes was to promote, implement, and enforce a  
38                  "DICTATORSHIP OVER FINANCE IN THE UNITED STATES." [See: Senate Report No. 93-549, pg. 186]

39                  It appears from the documentary evidence that the Internal Revenue Service Agents etc., are "Agents of a Foreign  
40                  Principal" within the meaning and intent of the "Foreign Agents Registration Act of 1938." They are directed and  
41                  controlled by the corporate "Governor" of "The Fund" also known as "Secretary of Treasury" [See: Public Law 94-564,  
42                  supra, pg. 5942, U.S. Government Manual 1990/91, pgs. 480 & 481, 26 U.S.C.A. §7701(a)(11), Treasury Delegation Order  
43                  No. 150-10, and the corporate "Governor" of "The Bank" 22 U.S.C.A. §§286 and 286a, acting as "information service  
44                  employees [22 U.S.C.A. §611(c )(1)(ii)], and have been and do now "solicit, collect, disburse or dispense contribution [Tax  
45                  - pecuniary contribution, Black’s Law Dictionary 5th edition], loans, money or other things of value for or in interest of  
46                  such foreign principal 22 U.S.C.A. §611(c )(1)(iii), and they entered into agreements with a Foreign Principal pursuant to  
47                  Treasury Delegated Order No. 91 i.e. the "Agency For International Development." [See: 22 U.S.C.A. §611(c )(2)] The  
48                  Internal Revenue Service is also an agency of the International Criminal Police Organization and solicits and collects

1 information for 150 Foreign Powers. [See: 22 U.S.C.A. §263a, The United States Government Manual, 1990/91, pg. 385,  
2 see also, The Ron Paul Money Book, pgs. 250-251] It should be further noted that Congress has appropriated, transferred,  
3 and converted vast sums to Foreign Powers [See: 22 U.S.C.A. §262c(b)] and has entered into numerous Foreign Taxing  
4 Treaties (conventions) [See: 22 U.S.C.A. 285g, 22 U.S.C.A. 287j] and other Agreements which are solicited and collected  
5 pursuant to 26 U.S.C. §6103(k)(4). Along with the other documentary evidence submitted herewith, this should absolve any  
6 further doubt as to the true character of the party. Such restrictions as "For the general welfare and common defense of the  
7 United States" [See: U.S. Constitution (1787), Article 1, Section 8, Clause 1] apparently aren't applicable, and the  
8 fraudulent rehypothecated debt credit will be merely added to the insolvent nature of the continual "emergency," and the  
9 reciprocal social/economic repercussions laid upon present and future generations.

10 Among other reasons for lack of authority to act, such as a Foreign Agents Registration Statement, 22 U.S.C.A. 612 and 18  
11 U.S.C.A. 219 & 951, military authority cannot be imposed into civil affairs. [See: Department Of The Army Pamphlet  
12 27100-70, Military Law Review, Vol. 70] The United Nations Charter, Article 2, Section 7, further prohibits the U.N. from  
13 "intervening in matters which are essentially within the domestic jurisdiction of any state ...." Korea, Viet Nam, Ethiopia,  
14 Angola, Kuwait, etc., etc., are evidence enough of the "BAD FAITH" of the United Nations and its Organizations,  
15 Corporations and Associations, not to mention the seizing of two daycare centers in the State of Minnesota by their agents,  
16 and holding the children as collateral hostages for payment/ransom of their fraudulent, dishonored, rehypothecated debt  
17 credit, worthless securities. Such is the "Rule of Law" "as envisioned by the Founders" of the United Nations. Such is  
18 Communist terrorism, despotism and tyranny. ALL WERE AND ARE OUTLAWED HERE.

19 If you further investigate what agency the IRS does fall under, you will find that all IRS paychecks are paid and accounted  
20 for out of the U.S. Department of Agriculture, and not the Dept. of the Treasury. That's right: IRS agents work for the  
21 Secretary of Agriculture. If you want to obtain delegation orders for IRS personnel, you will need to do a FOIA with the  
22 Secretary of the Dept. of Agriculture. If you request these orders from the Dept. of the Treasury, you won't get any!

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

## 24 **16. Conclusions**

25 The facts put forth to this point confirm that the IRS possesses **no lawful authority** to show "Department of the Treasury"  
26 on any of its outgoing mail for it is NOT a lawful federal agency or bureau therein. Thus, every mailing of this nature  
27 constitutes (at least) one count of 'mail fraud' and other fraudulent enterprises. See 18 U.S.C. §§1341 – 'Frauds and  
28 swindles'; 1342 – 'Fictitious name or address'; 1346 – 'Definition of "scheme or artifice to defraud"', and 1348 – 'Attempt  
29 and conspiracy'; and 18 U.S.C. §1961-1968 – 'Racketeer Influenced and Corrupt Organizations (RICO) Act'. See also 31  
30 U.S.C. §333 – "Prohibition of misuse of Department of the Treasury names, symbols, etc."

31 It should be noted here that the Department of the Treasury's website below:

<http://www.treasury.gov/education/duties/bureaus/irs.shtml>

32 states that "the Bureau of Internal Revenue was established on July 1, 1862." This is obviously **not** true according to the  
33 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  
37 secession war effort. The tax imposed by the Act was an excise tax imposed upon the "**use of**" federal *property*. See  
38 Section 86 of said 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  
40 in fact **one in the same entity**. See 27 U.S.C. §201 at "Transfer of Functions". Absent an organic act by Congress  
41 establishing 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  
43 federal reserve *central* bank (which most likely created one or both of the **pure trusts**) which itself is a private for-profit

1 corporation. Some people argue that this corporation was incorporated in Delaware. The evidence below from the  
2 Secretary of State of Delaware, for instance, seems to indicate this:

[SEDM Exhibit #08.006](http://sedm.org/Exhibits/ExhibitIndex.htm)  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

3 And any argument that the IRS' performs a vital governmental function for the collection of needed government tax  
4 revenues immediately fails, for the government of the United States does NOT receive any of the tax revenues collected  
5 from federal income taxes. All such revenues go directly to the federal reserve *central* bank for interest on the alleged debt.

6 For in-depth research as to just where income tax collection receipts ends up, see "War On Waste: President's Private  
7 Sector Survey on Cost Control", i.e., Grace Commission Report, New York, MacMillan Publishing Co., 12 Jan 1984 –  
8 ISBN 0-02-074660-1. The report announced with specificity just what happens to the income tax collections as follows:

9 *"With two-thirds of everyone's personal income taxes wasted or not collected, 100 percent of*  
10 *what is collected is absorbed solely by interest on the Federal debt and by Federal Government*  
11 *contributions to transfer payments. In other words, all individual income tax revenues are gone*  
12 ***before** one nickel is spent on the services which taxpayers expect from their Government."*

13 We hope that you have learned by reading this article that you must be careful in dealing with the government. The  
14 American People would be served in good stead if they carefully studied the foregoing facts, and shared them with their  
15 friends, family, and colleagues. The future of our American Republic depends upon educating the American People about  
16 the deceptive, predatory, and disingenuous nature of the United States Government. Equally important, in light of the daily  
17 sacrifices being made by the Men and Women of our courageous Armed Forces, the interests of the American People  
18 would also be well served if they listened to and took heed of the warnings issued by the United States Supreme Court  
19 when it said:

20 *"Anyone entering into an arrangement with the government takes the risk of having accurately*  
21 *ascertained that he who purports to act for the government stays within the bounds of his*  
22 *authority."*  
23 *[Federal Crop Insurance vs. Merrill, 33 U.S. 380 at 384 (1947)]*

24 \_\_\_\_\_  
25 *". . .They knew that "illegitimate and unconstitutional practices get their first footing...by*  
26 *silent approaches and slight deviations from legal modes of procedure. . ."*  
27 *[Boyd v. U.S. 116 U.S. 616, 635 (1886)]*

28 \_\_\_\_\_  
29 *". . .Every state legislator and executive and judicial officer is solemnly committed by oath*  
30 *taken pursuant to Art. VI, cl. 3, "to support this Constitution."*

31 *"No state legislator or executive or judicial officer can war against the Constitution without*  
32 *violating his undertaking to support it."*  
33 *[Cooper v. Aaron, 358 U.S. 1 (1958)]*

34 \_\_\_\_\_  
35 *". . . a federal official may not with impunity ignore the limitations which the controlling law*  
36 *has placed on his powers..."*

37 *[. . .]*

1           “. . . the official would not be excused from liability if he failed to observe statutory or  
2 constitutional limitations on his powers or if his conduct was a manifestly erroneous  
3 application of the statute...”

4           [. . .]

5           “. . . federal officials. . . even when acting pursuant to congressional authorization, are subject  
6 to the restraints imposed by the Federal Constitution. . .”  
7           [Butz v. Economou, 438 U.S. 478 (1978)]

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9           “. . . Whatever other concerns should shape a particular official’s actions, certainly one of  
10 them should be the constitutional rights of individuals who will be affected by his actions. . .”  
11           [Owen v. City of Independence, 445 U.S. 622 (1980)]

12  

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13           “. . . But the power of the state [i.e. any government] in that respect is not [271 U.S. 583, 594]  
14 unlimited, and one of the limitations is that it may not impose conditions which require the  
15 relinquishment of constitutional rights. If the state may compel the surrender of one  
16 constitutional right as a condition of its favor, it may, in like manner, compel a surrender of all.  
17 It is inconceivable that guaranties embedded in the Constitution of the United States may thus  
18 be manipulated out of existence. . .”  
19           [Frost v. Railroad Commission of the State of California, 271 U.S. 583, 594 (1926)]

## 20 **17. Resources for Further Rebuttal and Research**

- 21 1. Federal Jurisdiction, Form #05.018-succinct summary of federal jurisdiction within states of the Union  
22 <http://sedm.org/Forms/FormIndex.htm>
- 23 2. Great IRS Hoax, Form #11.302, Chapter 6: History of Federal Income Tax Fraud, Racketeering, and Extortion in the  
24 USA  
25 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 26 3. Derivations of Code Sections of the Internal Revenue Codes of 1939 and 1954, Litigation Tool #09.011-use this  
27 resource to follow along with the code sections cited in this research for various dates  
28 <http://sedm.org/Litigation/LitIndex.htm>
- 29 4. History of Treasury Department Organization  
30 <http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm>
- 31 5. Historical Federal Income Tax Acts- most major revenue acts since the beginning of the IRS. Family Guardian  
32 <http://famguardian.org/PublishedAuthors/Govt/HistoricalActs/HistFedIncTaxActs.htm>
- 33 6. The Work and Jurisdiction of the Bureau of Internal Revenue, U.S. Government Printing Office, 1948  
34 <http://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf>
- 35 7. Commissioner Query: Who and What is the Internal Revenue Service?  
36 <http://famguardian.org/PublishedAuthors/Indiv/MeadorDan/Articles/irsbegin.htm>
- 37 8. Sovereignty Forms and Instructions Online, Form #10.004: History Section-evidence documenting the history of the  
38 government, the Treasury, and the IRS  
39 <http://famguardian.org/TaxFreedom/FormsInstr-History.htm>
- 40 9. Declassified Document About the History of the Bureau of Internal Revenue, 1945-U.S. Government Archives  
41 [http://famguardian.org/PublishedAuthors/Govt/IRS/Z\\_Secret.pdf](http://famguardian.org/PublishedAuthors/Govt/IRS/Z_Secret.pdf)
- 42 10. 1972: 37 F.R. 20690-20964 IRS Organization and Functions-interesting history of the IRS published by the IRS  
43 <http://famguardian.org/TaxFreedom/Evidence/OrgAndDuties/37FR20960-20964-OrgAndFunctions.pdf>