

THIS STATEMENT IS INCORPORATED AS PART OF THIS IRS FORM.

The authority of a Withholding Agent as defined in 26 U.S.C. §7701(a)16 and 26 CFR 301.7701-16 to withhold from pay or remuneration IRC §§1441, 1442, 1443, and specifically in 26 CFR 1.1441-7 does not apply to me.

The Published policies of the IRS in Publication 515 pages 2,3 and 4 are clear in explaining that I am not subject to withholding of the income tax imposed in Subtitle A, as I am an American Citizen specifically a California National, therefore, I am not an alien subject to withholding.

A Withholding Agent is supposed to have a specific form on file with the IRS Form 2678 (**See Exhibit A**) to be legally authorized to withhold for the IRS.

This company has not provided me with a copy of signed IRS Form 2678 to evidence they are a legal appointed withholding agent by the IRS. This is significant as this is the only authority to withhold by a Withholding Agent as found in the Law. Even if the company did have a signed Form 2678 appointment to act as a withholding agent they still would not be authorized to withhold from my remuneration without my signing a W-4 requesting the company to withhold in my behalf since I am a "**Protected Individual**" 8 USC §1324b(a)(3)(A) (**See Exhibit B**).

"Where rights secured by the Constitution are involved, there can be no rule making or legislation which would abrogate them" Miranda v. Arizona, 384 U.S. 436, 491. No law requires a "**Protected Individual**" to complete a W-4 Form or to furnish an SSN to obtain or keep a job, see court case EEOC v. Information Systems Consulting CA3-92-0169T U.S.D.C. Northern District of Texas Dallas Division (**See Exhibit C**).

In the following sections of law, it is plainly set forth that the District Director is the only person with the sole authority to order an employer to withhold certain taxes, including the taxes withheld under 26 U.S.C. §3402 (see 26 CFR §301.7512-1(a)(1) & (b)), from a worker. This can only be done by a letter of Notice (see 26 CFR §301.7512-1(d)) from the Director himself, hand delivered by an internal revenue officer or employee. To comply with the law you must ignore any signed or unsigned letters from the IRS which would deprive me of any property(my remuneration) if it does not comply with the above legal standard.

Withholdings from my remuneration also does not apply to me and is not included in the definition of either "wages" or "gross income" as found in §3401(a), and §61 respectively. Since I am not living abroad my remuneration is not included in GROSS INCOME under Code Section 911-U.S. Citizens Living Abroad (**See Exhibit D**), therefore my remuneration does not constitute "wages" as defined in §3402, pursuant to the exclusionary provision of IRC §3401(a)(8)(A)(i) (**See Exhibit E**). This provision of law states that remuneration paid to U.S. Citizens by U.S. Employers is excluded from wages if IT IS REASONABLE TO BELIEVE, that it is excluded from gross income in §911. Since I am not living abroad, there is no way for my remuneration to be included in §911, therefore it is excluded from the law, by being clearly and reasonably excluded from entry it is not within nor subject to any provision of

§911. On the obverse, since I am not living abroad, there cannot be any possible reason to believe that my remuneration falls within any provision of §911, and thus it is unreasonable to believe that it is included in §911 to be "wages". My remuneration does not constitute "wages" and shall not be deemed to be "wages" 26 U.S.C. §3402(e) (**See Exhibit F**). This form is being filed pursuant to Code Section 3402(n) (**See Exhibit G**), but has not been filed voluntarily, if I did not file and sign it I may be illegally refused to be hired, illegally refused to be paid, illegally withheld from at the maximum rate pursuant to 26 U.S.C. §6401(e), or could be illegally fired.

No law requires a American Citizen to file a W-4 form. In U.S. v. Mobil Oil Co., 82-1 USTC para. 9242, (U.S.D.C. ND Tex.Dallas 1981) CA. 3-80-0438-G, the court ruled that an employer does not even have to send a W-4 Form or other employment forms to the Internal Revenue Service unless served with a legal summons to do so.

I do not wish to enter into a voluntary withholding agreement under code section 3402(p)(3)(A) as I have no Subtitle A wage Gross Income (code sections 61, 911, 26 CFR 1.861-4, 1.61-2) and my remuneration does not constitute wages for withholding purposes 26 U.S.C. 3401(a)(8)(A)(i)). In 26 CFR 31.3402(p) I.R.S. Form W-4 - Voluntary withholding agreement ..an employee who desires to enter into an agreement .. shall furnish his employer with Form W-4 .. furnishing Form W-4 shall constitute a request for withholding, I am NOT requesting or authorizing the company to act as a withholding agent.

Should you ignore the exempt paperwork I have provided you and illegal make a determination of my liability to the taxes imposed in Subtitle C or Subtitle A or Section 33 of the IRC, while ignoring the laws presented herein, I reserve all rights to seek Administrative and Judicial Remedies.

Regarding the Employee status, "the employer is not authorized to alter the form or to dishonor the employee's claim. The certificate goes into effect automatically" (U.S. District Court Judge Huyett, United States v. Malinowski, 347 F. Supp. 352 in 1992). ...Unless the withholder has reason to know that the party filing form is no longer eligible for exemption, the withholding party is not responsible for misstatements made on form by an owner of income and hence would not be liable for tax which should have been withheld. Defendants manifest courtesy as to whether the plaintiff would pay tax ... but this is none of their concern." Holmstrom v. PPG Industries, 512 F. Supp 552, 554 (DC WD Pa. 1981) Also see: Murray v. City of Charleston 96 U.S. 432 (1877).

Warning! Do not remove this attachment from this IRS Form it is incorporated as a part of this Form.

Employer Appointment of Agent
Under Section 3504 of the Internal Revenue Code
(For use by employers or payers)

1. To

Director

_____ **Service Center**

Instructions

Employer or Payer: Please complete this form and give it to the agent.

Agent: Please attach a letter requesting authority to do either all that is required of the employer for wages you pay on the employer's behalf or all that is required of the payer for requirements of backup withholding. *(See applicable Revenue Procedures 70-6 or 84-33.) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your returns. (See reverse side for addresses.)*

Note: Rev. Proc. 70-6 is available in Publication 1271 and Rev. Proc. 84-33 is available in Publication 1272,

2. Employer's or Payer's name

3. Employer's or Payer's address *(Number and street, city, town or post office, State and ZIP code)*

4. Employer identification number

5. Agent's name

6. Agent's address *(Number and street, city, town or post office, State and ZIP code)*

7. Agent's employer identification number

8. Effective for *(Check the box or boxes that apply)*

- Employment taxes *(Rev. Proc. 70-6)*
- Backup withholding *(Rev. Proc. 84-33)*

9. If filing under Rev. Proc. 70-6, does this apply to all employees?

- Yes No

10. Effective date of appointment by employer or payer

Under section 3504 of the Internal Revenue Code, please authorize this agent to do all that is required under *(Check the one(s) that apply)*

- Chapter 21 (FICA)
- Chapter 22 *(Railroad Retirement)*
- Chapter 24-
 - Withholding and/or
 - Backup withholding
- Chapter 25 *(General Provisions)* of Subtitle C

The agent named above has been appointed either to pay wages for employers and/or report and deposit backup withholding amounts for payers. This appointment is effective on the date shown in Item 10.

It is understood that the agent and the employer or payer are subject to all provisions of law and regulations *(including penalties)* which apply to employers or payers.

Signature of employer or payer

Date

Title of signing official *(Indicate whether the person signing is an owner, partner, member of firm, fiduciary, or a corporate officer.)*

For Internal Revenue Service Use Only

Effective date granted by IRS



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Sec. 1324b. - Unfair immigration-related employment practices

(a) Prohibition of discrimination based on national origin or citizenship status

(1) General rule

It is an unfair immigration-related employment practice for a person or other entity to discriminate against any individual (other than an unauthorized alien, as defined in section [1324a](#) (h)(3) of this title) with respect to the hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment -

(A)

because of such individual's national origin, or

(B)

in the case of a protected individual (as defined in paragraph (3)), because of such individual's citizenship status.

(2) Exceptions

Paragraph (1) shall not apply to -

(A)

a person or other entity that employs three or fewer employees,

(B)

a person's or entity's discrimination because of an individual's national origin if the discrimination with respect to that person or entity and that individual is covered under section 703 of the Civil Rights Act of 1964 ([42 U.S.C. 2000e-2](#)), or

(C)

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discrimination because of citizenship status which is otherwise required in order to comply with law, regulation, or executive order, or required by Federal, State, or local government contract, or which the Attorney General determines to be essential for an employer to do business with an agency or department of the Federal, State, or local government.

(3) "Protected individual" defined

As used in paragraph (1), the term "protected individual" means an individual who -

(A)

is a citizen or national of the United States, or

(B)

is an alien who is lawfully admitted for permanent residence, is granted the status of an alien lawfully admitted for temporary residence under section [1160\(a\)](#) or [1255a\(a\)](#) (1) of this title, is admitted as a refugee under section [1157](#) of this title, or is granted asylum under section [1158](#) of this title; but does not include

(i)

an alien who fails to apply for naturalization within six months of the date the alien first becomes eligible (by virtue of period of lawful permanent residence) to apply for naturalization or, if later, within six months after November 6, 1986, and

(ii)

an alien who has applied on a timely basis, but has not been naturalized as a citizen within 2 years after the date of the application, unless the alien can establish that the alien is actively pursuing naturalization, except that time consumed in the Service's processing the application shall not be counted toward the 2-year period.

(4) Additional exception providing right to prefer equally qualified citizens

Notwithstanding any other provision of this section, it is not an unfair immigration-related employment practice for a person or other entity to prefer to hire, recruit, or refer an individual who is a citizen or national of the United States over another individual who is an alien if the two individuals are equally qualified.

(5) Prohibition of intimidation or retaliation

It is also an unfair immigration-related employment practice for a person or other entity to intimidate, threaten,

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION,
Plaintiff,
v.
INFORMATION SYSTEMS CONSULTING,
A DIVISION OF DIVERSIFIED
HUMAN RESOURCES GROUP,
Defendant

CIVIL ACTION NO.
CA3-92-0169-T

CONSENT DECREE

This action was initiated on January 27, 1992, by the plaintiff, the Equal Employment opportunity Commission (hereinafter the "Commission"), an agency of the United States Government, alleging that the defendant, Information Systems Consulting, A Division of Diversified Human Resources Group, had violated Title VII of the Civil Rights Act of 1964, as amended, by terminating Bruce Hanson because of his refusal to obtain a social security number after Mr. Hanson advised the defendant that obtaining or using a social security number was in conflict with his religious beliefs.

The Commission and Information Systems Consulting, A Division of Diversified Human Resources Group desire to settle this action, and therefore, do hereby stipulate and consent to the entry of his Consent Decree as final and binding between the parties signatory hereto and their successors or assigns. This Decree resolves all matters related to Complaint CA3-92-0169-T filed in the United States District Court for the Northern District of Texas, Dallas Division. The parties have agreed that this Decree may be entered without Findings of Fact and Conclusions of Law having been made and entered by the Court.

In consideration of the mutual promises of each party to this Decree, the sufficiency of which is hereby acknowledged, the Commission and Information Systems Consulting, A Division of Diversified Human Resources Group agree as follows, the Court finds appropriate, and therefore it is ORDERED, ADJUDGED AND DECREED that:

1. This Decree resolves all issues raised in the EEOC charge No. 310-89-2438. This Decree further resolves all issues in the Complaint filed by the Commission in this case. The Commission waives further litigation on all issues raised in the above referenced charge and Complaint. The Commission does not waive processing or litigating charges other than the charge referred to above.

2. The parties agree and the Court finds that this Court has jurisdiction of the subject matter of this action and of the parties, that venue is proper, and that all administrative prerequisites to filing suit have been satisfied.

3. By entering into this Decree, the parties have not admitted any contentions regarding the allegations on the merits of this cause of action. No party shall contest the validity of this

enforce its Decree and its terms or the right of any party to bring an enforcement suit upon breach of any of the terms of this Decree by any other party. Jurisdiction over this action is retained by the Court for the purpose of enabling any of the parties to this Consent Decree to apply to the Court at any time for such further order and directions as may be necessary or appropriate for the construction or implementation of the Decree or any of its provisions, or for the enforcement or compliance therewith.

4. This Decree is being issued with the consent of the parties and does not constitute an adjudication or finding by this Court on the merits of the allegations of the complaint. By entering into this Decree, Information Systems Consulting, A Division of Diversified Human Resources Group, does not admit, nor has this Court made any determination with respect to, the claims that there have been any violations of Title VII or any other statute, regulations or ordinance promulgated by any federal, state or local agency dealing with discrimination, by Information Systems Consulting, A Division of Diversified Human Resources Group. Nothing contained in this Decree shall be construed as an admissions of liability on the part of the defendant.

5. The defendant, Information Systems Consulting, A Division of Diversified Human Resources Group, in settlement of this dispute, shall make an award of backpay in the amount of \$10,000.00 to Bruce Hanson. The award shall be paid as follows:

- (a) a payment of \$3,500.00 shall be made upon entry of the Consent Decree;
- (b) a payment of \$3,500.00 shall be made four months after the entry of the Consent Decree;
- (c) a payment of \$3,000.00 shall be made eight (8) months after the entry of the Consent Decree.

6. The defendant shall make legal deductions for withholding of Federal income taxes and the employee portion of social security from the backpay checks. The defendant shall include with the check, an itemized statement indicating specific amounts paid and deductions made. All W-2 forms shall be provided as required by law.

7. The defendant shall make all employer contributions to social security as required by law on the back wages to be paid to Bruce Hanson pursuant to this Consent Decree.

8. The defendant, Information Systems Consulting, A Division of Diversified Human Resources Group, shall be permanently enjoined from terminating an employee or refusing to hire an individual for failure to provide a social security number because of religious beliefs. If an employee or applicant for employment advises the defendant that he does not have a social security number because of his religious beliefs, the defendant shall request, pursuant to Section 6724 of the Internal Revenue Service Code, 26 U.S.C. § 6724, a waiver of any penalties that may be imposed for failing to include an employee social security number on forms and documents submitted to the IRS. In the event the waiver is granted the employee shall be treated the same as all other employees.

9. For a period of two (2) years from the entry of this Decree the defendant shall provide a report to the Equal Employment Commission of all applicants or employees who refuse to provide a social security number because of religious beliefs. The Commission shall be notified within ten (10) days of the date the defendant is notified that the individual does not have a social security number because of religious beliefs. The defendant shall advise the Commission of the date the IRS waiver was requested and the outcome of the request. The reports shall be directed to:

Jeffrey C. Bannon
Regional Attorney
Equal Employment Opportunity Commission
8303 Elmbrook Drive, 2nd Floor

10. Bruce Hanson hereby specifically and voluntarily waives any right to reinstatement.

11. Bruce Hanson hereby agrees to release the defendant from all claims, demands, damages and causes of action arising from the allegations in charge number 310 89 2438 and agrees that this Consent Decree resolves all issues arising out of the claims alleged in charge number 310 89 2438.

12. The defendant shall post the notice attached as Exhibit A in a conspicuous place for sixty (60) days from entry of this decree.

13. The parties agree to pay their own costs.

SO ORDERED, ADJUDGED AND DECREED this 30 day of October, 1992.

[signed]

UNITED STATES DISTRICT

JUDGE FOR

THE NORTHERN DISTRICT OF

TEXAS

AGREED TO IN FORM AND CONTENT

FOR THE EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION:

[signed]

DONALD R. LIVINSTON
General Counsel

Bruce Hanson
[Street Address]
[City, State, Zip]

PHILLIP B. SKLOVER
Associate General Counsel

[signed]

JEFFREY C. BANNON
Regional Attorney
Connecticut State Bar No. [#####]

[signed]

KATHERINE E. BISSELL
Supervisory Trial Attorney
Texas State Bar No. [#####]

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION
Dallas District Office
8303 Elmbrook Drive, 2nd Floor
Dallas, Texas 75247
(214) 767-7948

[signed]

Mr. Dan Hartsfield
Ms. T. Michele Baird
Gardere & Wynne
A Registered Limited Liability Partnership
3000 Thanksgiving Tower
1601 Elm Street

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Sec. 911. - Citizens or residents of the United States living abroad

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Sec. 3401. - **Definitions**

(a) **Wages**

For purposes of this chapter, the term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration (including benefits) paid in any medium other than cash; **except that such term shall not include remuneration paid -**

(8)

(A)

for services for an employer (other than the United States or any agency thereof) -

(i)

performed by a citizen of the United States if, at the time of the payment of such remuneration, it is reasonable to believe that such remuneration will be excluded from gross income under section 911; or

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Sec. 3402. - Income tax collected at source

(e) Included and excluded wages

If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than 31 consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

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Sec. 3402. - Income tax collected at source

(n) Employees incurring no income tax liability

Notwithstanding any other provision of this section, an employer shall not be required to deduct and withhold any tax under this chapter upon a payment of wages to an employee if there is in effect with respect to such payment a withholding exemption certificate (in such form and containing such other information as the Secretary may prescribe) furnished to the employer by the employee certifying that the employee -

(1)

incurred no liability for income tax imposed under subtitle A for his preceding taxable year, and

(2)

anticipates that he will incur no liability for income tax imposed under subtitle A for his current taxable year.

The Secretary shall by regulations provide for the coordination of the provisions of this subsection with the provisions of subsection (f).