

=====

littlehammer's
Weekly Tax Exempt Newsletter
with
Questions and Answers
and
Conference Call Reminder

Copyright (except quotations) © 2000, 2001 by Paul Leinthall

=====

Tuesday, September 31, 2001

- [1] Welcome: Finally - The Light Shines!
- [2] Questions and Answers: New Procedures and Benefits
- [3] News Briefs & Comments: Excuses, Excuses...
- [4] Conference Call Reminder: **Wed, August 1st, 9pm EST, 1-305-503-1874, Pin 940**
- [5] Contact Information, Legal Notice & Notice of Copyright explanation.

In this section (below), I explain why I use the bracketed phrases [THE COMPANY] and [THE FOUNDER] to refer to the founder and his company, who achieve the money-back-guaranteed results of having the IRS change their internal records to reflect the fact that each client is exempt from income taxes on any income, regardless of amount or source, unless the source of the income is the federal government itself or a trade or business under the sovereign jurisdiction of the government. [THE COMPANY] accomplishes this fully (and only) in accord with the Internal Revenue Code, and thus, none of their clients ever experience adverse IRS confrontation or court proceedings. (I also explain how to "unsubscribe" to this newsletter in this section).

=====

[1] Welcome

=====

Dear Friends,

I've been promising you further details for clarification and understanding for several weeks. So here we go.

A lot of changes have been and are occurring in the IRS, even as we speak; and, hence, [THE COMPANY] is keeping up with those changes. A lot of what is happening these days can be attributed to both the affects of the Revenue Reconciliation Act of 1998 and the more intense scrutiny under which the IRS finds themselves as a result of their failure to "get their house in order."

IRS Commissioner, Charles Rossotti, when he took command of the IRS and when the Revenue Reconciliation Act began to take effect, said on national television something to the effect that if the IRS did not get it's house in order and get everything

straightened out, he didn't perceive that there ever would be a "next time". As [THE FOUNDER] said last week, "And that's basically pretty much where they're at right now."

The increased scrutiny coming to bear on the IRS is coming from at least two directions: first, from "the people", and this, of course, includes many people in the "tax movement", and other people who are becoming increasingly aware of what is occurring due to the freedom of information available via the internet; and second, from Congress for their failure to more quickly implement the changes incurred by the Revenue Reconciliation Act. The effect this appears to be having on the IRS is that they seem to be operating these days in "scramble" mode, doing everything they can to preserve their very existence in their present form.

Some of [THE COMPANY's] clients, for example, have been receiving "notices" (accompanied by brochures and IRS "poop" sheets), which, on their face, seem to challenge the position [THE COMPANY] takes in their annual filings for clients. But this is not just happening with [THE COMPANY's] clients. Many clients of many professionals, including Tax Attorney's and CPA's - as well as lone taxpayers themselves - are receiving these notices, especially in those cases where the "taxpayer" is showing little or "no" income taxes due, even when one has arrived at that result by playing the normal game of applying exemptions and deductions to the typical 1040 tax return. The IRS is basically trying to show that it's still capable of collecting money.

In the case of [THE COMPANY's] clients, the only thing the client has to do, should she receive such a "notice" from the IRS - or for that matter, ANY form of communication from the IRS - is to immediately Fax or mail the notice to [THE COMPANY] and let [THE COMPANY] deal with it. These notices are NOT really a problem (more like a gnat flitting about one's face). Should the client personally respond to such a notice, however, the IRS can use the client's personal response as an excuse to invalidate [THE COMPANY's] power of attorney, and thus, once again, bring the client "under their magic spell," in which case, [THE COMPANY] would once again have to re-establish their power of attorney and perhaps, even, re-file some of the other documents they had already filed on the client's behalf. One of the "benefits" each client is paying for is the privilege of NOT having to personally deal with the IRS in any manner whatsoever; so, if you are a client, don't let them "suck you into" contacting them for any reason or personally returning anything they send you which requires a reply. Let [THE COMPANY] handle ANY necessary replies.

But I promised to talk about increased benefits, didn't I? That's what really counts, in my book. Before I did that, however, I wanted to alert more of my newsletter list to the increased "antics" of the IRS to try to grab your attention away from knowing and understanding the truth of what is really occurring. In the words of [THE FOUNDER] to [THE COMPANY's] representatives last week:

It's not just the power of attorney [the IRS is trying very hard to ignore for clients]. Basically, the IRS recognizes FOR THEM this is a life and death struggle. Obviously they don't WANT to go away...

There's a lot of things happening within the income tax field. We have no idea where they're going to go with it, but the IRS is aware...[that] there have been enough complaints and problems that have been identified, wherein the IRS has failed to either respond timely to a client, or to a practitioner, or, even more importantly, to the dictates

of Congress, that they're coming under intense scrutiny to determine whether we're going to continue with the system we've got.

(You'll see more evidence of this in Section 03, the "News Briefs and Comments" section).

So, what are the increased benefits, and how is [THE COMPANY] altering their procedures to accommodate these changes? I'll talk more about that in the next section, the section I usually reserve for Questions and Answers.

Your friend,

Paul Leinthall
661-822-7889, Noon-8pm Mon-Fri EASTERN time
email: littlehammer@primemail.com

=====
[2] Questions and Answers
=====

Since this is a "Question and Answer" section, I think I'll present the benefits and beneficial changes in a question and answer format.

Q: What are the procedural changes [THE COMPANY] is now using?

Regarding the application process and what we have understood to be the "revocation of election" process, not much will change "visibly" for the client. Although the application itself will be changing soon, to accommodate the gathering of a few pieces of critical information [THE COMPANY] now needs to harmonize the added procedural process, the process of the client receiving what we call the "second pack"and signing, notarizing and returning it to [THE COMPANY] remains the same.

One procedural change some clients have already noticed, after the "second pack" has been completed, is that some further filings with the IRS, which require the client's signature, will arrive in his mail box, with full postage attached, so he can sign and date it, and drop it in the mail to go to the IRS. The IRS used to allow [THE COMPANY] to sign under the "power of attorney" after the original power of attorney was on file, but now they're requiring original signatures on all documents that must be signed. The client, of course, will receive copies of ALL documents filed with the IRS, including replies to IRS correspondence that don't require the client's signature prior to being submitted to the IRS.

Another item - which is not an actual change in procedure, but rather a clarification of understanding regarding procedures already in place - is that the revocation paperwork is not simply sent on it's own to the IRS, but is ALWAYS connected with a specific "tax return" (or STATEMENT) pertaining to a specific year, or years. The reason for this is that, were [THE COMPANY] to send the revocation documentation in alone, without being attached to a tax return/statement, the IRS would either throw it in the garbage or send it back saying, "We don't know what to do with these; what do you want us to do with them? Where is the tax return that they apply to?" In other words, the IRS never references any communication to them by JUST the taxpayer's identification

number, but to BOTH the ID number AND a specific "tax" year (or years). ALL communication to the IRS must be "channeled" in this manner, unless it is a REPLY to some specific communication priorly initiated by the IRS, which was sent to either the client or [THE COMPANY], and even in some of those cases, [THE COMPANY] may again include the supporting "revocation" documentation, depending on the communication from the specific IRS agent.

A NEW procedure, which I've mentioned briefly in the past two or three newsletters, is the filing of a "Letter of Request for Determination of Taxpayer Status" (hereinafter called "Determination Request"). THIS is the added procedure that's going to give us "teeth" in our bite, when it comes to being more effective in obtaining refunds for our clients as well as the unquestionable changing of the data in each client's IMF file, which will be able to be verified by obtaining those records through the "Freedom of Information Act" (FOIA).

Let me STOP here to say: [THE COMPANY] STILL DOES NOT GUARANTEE REFUNDS. They never have, and they never will, as long as the ability to write the refund check lies in the hands of someone other than a person in [THE COMPANY].

The determination request procedure requests Commissioner Rossotti to forward the determination request to the IRS person responsible for making such determination. Since the IRS is now bound by law to have to give the determination request serious consideration, the "test" results (from [THE FOUNDER's] network of research professionals, many of whom do this type of thing for their select, private clients) have shown that what will occur, in two to six months time, will be a letter coming to the client, or to the company to be forwarded to the client, on IRS stationery, stating that the IRS has determined that the client is a "non-taxpayer" for the specific year(s) for which the determination request was made.

Since the determination request must be year (or years) specific, the determination will come back accordingly. In the case of a client who is already "in trouble" with the IRS for a specific year (or years), the determination request will FIRST be done for those specific years. For clients who are experiencing no prior trouble with the IRS, the determination request will be for a period going back TEN years. (That's all the law allows). For the client in trouble, once the year(s) specific request has been handled, the remainder of years going back for ten years will also be done. Eventually, every client of the company, will have had a determination request for the last ten years - all this accomplished for him as part of his being a client. (No extra charge; but don't forget, [THE COMPANY] collects the standard one-third collection fee on ANY "found" money the IRS credits to the client).

Oh, yes. One thing I almost forgot, although I mentioned it in previous newsletters. [THE COMPANY] will, via the Freedom of Information Act, request a copy of each client's IMF (Individual Master File) from the IRS. This is done PRIOR to the determination request, both to see how the IRS has you listed in their records BEFORE the process, AND because it reveals how much money the IRS has collected from you in taxes over the last 10 years. As you will see in a moment, this will come in quite handy.

Q: What are the benefits to the new "determination request" procedure?

- For a client in trouble, once the determination request is received by the IRS, ALL ADVERSE ACTIVITY against that client for the particular year(s) in question, by law, must CEASE, until the determination is made.
- Since the IRS communicates poorly from the top down, and since a "local" agent, who may already have the client in his crosshairs, is quite unlikely to make the additional 20 or 30 keystrokes on his computer terminal to get the bigger picture of the client, whereby he might find the true status of the client, it's quite likely that the agent will continue his activity of trying to get money out of the client. Therefore, instead of just submitting the determination request to the Commissioner and sitting back and waiting, [THE COMPANY] will proactively send that agent a copy of the determination request, along with copies of all the documentation that were filed with that request. At that point, the agent has no excuse for not, and every lawful reason for, stopping any collection activity until the determination is made.
- When the actual determination comes back from the IRS indicating that the client has been determined to be a "non-taxpayer" for the years requested in the determination, what will follow on the heels of that determination, within a week, or so, will be another letter, advising the client that, "We have \$\$\$ sitting here as credit to you. What do you want us to do with it?" (Dah! I wonder what I should say to that!)
- The obvious answer of course will be, "Well, let me think about that for a moment..." Yeah, right! Anybody having trouble with that answer, needs to contact me right away. By-the-way, [THE COMPANY] will respond to that communication, too, of course, after a consultation with you. (Remember what we said about the IRS looking for any excuse to bring you back under their spell by invalidating [THE COMPANY's] power of attorney).
- [THE COMPANY] and the client will know whether, or not, the amount "credited" via the determination request process is "correct", because the IMF, which [THE COMPANY] will have earlier obtained, reveals the actual amount of taxes collected over the ten year period. The really careful record keeping client might have another way of knowing the amount of taxes he paid over that time, because he may have kept his tax returns for the last ten years. Most of us, however, have probably not been that well organized. (Remember, the amount of taxes actually PAID is usually quite different from the amounts that were "withheld" by an employer or "returned" via the normal 1040 tax return filing for each year).
- It is possible (although it has not occurred yet) that, for some unknown reason, the IRS would not respond to the initial determination request. After a certain period of time, with no response, [THE COMPANY] will send a follow-up letter, with the supporting documentation and copy of green-card having been signed by the IRS indicating their receipt of the original request on "such-and-such" a date. Eventually, the IRS must respond, (they only get three stikes and they're out) and a final request of the client's IMF (if needed) will verify the change in the records which the IRS keeps on the individual.

Q: Are there any OTHER benefits to this new "determination request"?

Yes. In addition to being tied in with the determination request, these added benefits are ALSO connected with some added procedural changes which [THE COMPANY] will be instituting over the next several months. Although I won't be able to talk more specifically about these additional procedural changes until the time comes, I can talk about some of the added benefits we will enjoy. Although [THE FOUNDER] anticipates that these ever more powerful procedures (with their benefits) will be in place by the END of THIS year, what I'm saying here, now, regarding them, is NOT A GUARANTEE of the specific time-frame for their procedural installation. [THE FOUNDER's] best estimate, at this point in time, is that he EXPECTS this will all be in place by year's end.

These added benefits apply to the area about which several of my newsletter readers have expressed concern: OFFSHORE INCOME.

Q: So - What ARE the benefits?

Primarily, the new procedures WILL EVENTUALLY mean that NO INCOME will be taxable to the client, whether made within this country (onshore) or outside the country (offshore) - except that income, which is earned DIRECTLY from the federal government, or which a client is paid directly by a business or trade under the sovereign jurisdiction of the federal government, will continue to be taxable. (We already know about this "federally earned" income, of course.)

Now, I know we all thought - at least I did - that this issue of being exempt on offshore income was already the case. In other words, we thought, based on the information we had, that we were ALREADY exempt from income taxes on our WORLDWIDE income. But what caused my (and our) confusion a couple months ago, was [THE FOUNDER's] statement to us that the IRS had ALWAYS considered money made OFFSHORE and brought ONSHORE to be taxable income. NOT money made AND LEFT offshore; but money made offshore and BROUGHT into the country. This is, of course, why so many folks who operate in the offshore domain, have heard of, or have been exposed to, the whole field of "asset protection", where what they were trying to "protect against," often was (perhaps primarily was) the "tax man". Most of the purveyors of Trusts, IBC's, Charitable Foundations, and the like, make their primary appeal to people with concerns in this area. (Please understand, I am not deprecating the use of those vehicles, nor am I trying to give a "bad rap" to anyone suggesting their use).

With the NEW PROCEDURES FORTHCOMING - remember, these procedures are NOT YET in place - offshore income will NO LONGER be a problem, and one will NOT have to utilize any other kind of protective entity in an attempt to "hide" offshore income for fear of the IRS. Remember, we ALREADY don't have to hide ONSHORE income for fear of the IRS. (That last statement applies specifically to clients of [THE COMPANY], of course).

So, in other words, sometime in the fairly near future - and [THE FOUNDER] hopefully anticipates this will be by the end of this year - we will be as free from ANY kind of income tax as we could ever have hoped any law could provide.

With that having been said, there is an obvious question, so I might as well ask it.

Q: What are my options NOW, if I have offshore income NOW, of if I expect to have it BEFORE the new procedures have been implemented?

As a client of [THE COMPANY], a person who presently has offshore income has THREE options. I will give you the three options, as [THE FOUNDER] gave them to the company's representatives. Then, I'll add my comments.

[THE FOUNDER], in this section, is answering the following question: "What do you suggest we do if we have foreign income?"

I guess there's a number of positions you can take. I'm JUST giving you the OPTIONS of what is available:

- 1. You can take it and do nothing.
- 2. You can take it and report it, or
- 3. Basically have it brought into the United States through a Corporation Sole, where it's non-taxable, non-reporting, and you don't have any problems with it.

At SOME point, it won't be necessary to utilize Corporation Sole solely for that purpose. But at THIS point, right now, today, those are the only three options that I'm aware of; and the Corporation sole is the only one that I know that the IRS has ruled on, that the money can come back into the United States as non-taxable and non-reportable.

[Notice the words: "...that the IRS has ruled on." This is one of the advantages of Corporation Sole over EVERY OTHER kind of entity normally used to free one's money from income taxes. The IRS has RULED that Corporation Sole has NO tax filing, reporting or paying requirements under any circumstances, regardless of amounts of money.]

...Once we've got beyond the point where we are today, and the people [speaking of his network of professionals] work out all the bugs in the new system, then you will be able to do ANYTHING you want to do, external to the United States of America, and bring it back and NOTHING will be taxable or reportable.

Q: Paul, you said you would add your comments. What are they?

From what [THE FOUNDER] said, each client has three choices. As I heard these options, I thought to myself, Well, yes, if I have offshore income NOW, or will have anytime this year, I don't even HAVE to report it until tax season (January 1 to April 15 NEXT year), and with an automatic extension available, I really don't have to be concerned with "reporting" until August 15. So, at least for the remainder of THIS year, I could safely exercise the first option, that of "taking it, and doing nothing", because I'm not, nor is [THE COMPANY] acting on my behalf, required to do anything other than "nothing," until next year.

IF - and I realize it is an "if," with no guarantees - if [THE FOUNDER] is correct in his expectation that the changes being effected, wherein I will have no problem with it, actually are in effect by the end of this year - then I've had no problem after all. By the end of the year, I can see where things lie, and make a fresh

decision at that point. There's only one problem with doing it that way, because doing it that way is ONLY taking into consideration how I might want to handle offshore income; and if the new procedures aren't in place by the end of the year, I still might have a problem if I have to report it.

IF I have any privacy or "asset protection/preservation-to-my-heirs concerns - disregarding for the moment the matter of income taxes on offshore income - I might want to give consideration to Corporation Sole, simply on it's own merits. For example, if I'm engaged in some kind of "mission" to uplift and benefit humanity through my efforts, and if I want to ensure the privacy of myself and my estate, as well as passing it on to my heirs in perpetuity, I'm probably going to want to AT LEAST give Corporation Sole some consideration. AND, if I decide I want it for other reasons, even if nothing materializes in the timely manner that the [THE FOUNDER] anticipates, regarding my individual tax position on offshore income, I've solved not only my other concerns, but the concern about bringing money onshore from offshore, at the same time. The only question I would want to consider in THAT case would be, what happens if I bring money onshore in my name NOW, and the procedures are not in place by the time I have to decide whether to report it, or not; because, even as a client of [THE COMPANY], I've promised to be honest and forthright in my dealings with them, and I certainly don't want to put them in jeopardy in their representation of me to the IRS regarding "income" under the law. So, my question is: Is it possible to bring money on shore in MY NAME now, or possibly via an "anonymous" debit card, and LATER form a Corporation Sole, and have it's non-taxable, non-reporting benefits applied to the money I brought in, in the event the new procedures have not been instituted in time to solve my problem? I guess that's a good question to ask and get an answer for another newsletter.

Q: Do you have any other comments or considerations regarding the new procedures?

Yes. Currently there are a few clients who either have had, or are having, difficulty with their employer regarding an "exempt" W-4. These new procedures that WILL YET be fully implemented in the coming months, will (or at least SHOULD) eliminate any problem with an employer (or the IRS) not wanting to recognize an "exempt" W-4. It will certainly take care of the IRS' side of the issue, and it will PLAINLY present an embarrassment to ANY employer who thinks he wants to force a client to "pay something" in the form of withholding, under the guise of "everyone paying her fair share".

All in all, I think those changes are really positive, don't you? If you have any questions, please get them to me in writing (that "forces" you to think clearly about what your question is), and your questions, as they usually do, should provide an extended forum for our consideration of these matters.

=====
[3] News Briefs & Comments
=====

I culled these news briefs to illustrate the scrambling mode we're seeing in the IRS as well as in the government regarding the IRS and the whole income tax system. Many of you are already familiar with these items in the news, but I may have a few comments along the way.

=====

Bush, After Gaining Tax Cut, Now Takes Aim at Tax Code
By RICHARD W. STEVENSON

WASHINGTON, July 15 - Having achieved its initial economic goal of a substantial tax cut, the Bush administration is making plans to address an even more ambitious and divisive issue: overhauling or replacing the entire federal tax code.

The discussions within the White House about changing the way individuals and companies are taxed are in early stages, and administration officials emphasized that they are a long way from settling on either policy prescriptions or a political strategy.

They said the subject would not make it to the top of President Bush's agenda for at least a year or two and might even be held back to serve as a signature issue for a re- election campaign in 2004.

There was more to this article, but I wanted to take it to the paragraph that basically demonstrates that they seem to be wanting to introduce these ideas into the public's thinking at this time, but that it may take a while.

How quickly will such changes happen? We have no way of knowing. I seriously doubt they will happen "overnight", although I know some folks who would take issue with my point of view. I'm just glad to know, that no matter how long they take, I can be TAX FREE NOW, without having to wait.

=====

New York Times: Bush Now Takes Aim at Tax Code

July 16, 2001 -- BREAKING NEWS! The New York Times reports that the Bush Administration plans to address . . . "overhauling or replacing the entire federal tax code."

According to one source, Bush's initiative is "a chance to re-ignite the debate."

Yes, and that's about all it is right now - a "debate". But, at least, that's something.

=====

To me, this next piece illustrates why I'm glad we have such diversity and contrast in our life experience. I don't think I would ever have considered going on a "hunger strike" to make my point about taxes and taxation. I honor Mr. Shultz for his actions; and they certainly seem to have prevailed to some degree. I still maintain, however, as I've expressed in previous newsletters regarding the basic "tenants" of "The We The People Foundation", that some of their arguments are "off point" and a fruitless banging of one's head against the wall. Certainly, in the light of [THE COMPANY's] success in the "revocation process", this seems to be born out in the unfailing results of [THE COMPANY's] clients being tax exempt while, at the same time, remaining

unchallenged and un-pursued by the IRS. All of that is accomplished without finger-pointing, fist-waving, bull-fighting, or looking over our shoulders in fear of the IRS. (Plus, we do it without "hunger striking").

Wes Vernon
Tuesday, July 24, 2001

WASHINGTON - In less than two months, Washington may officially acknowledge that you could have been paying your income taxes all these years under a measure that is not valid.

On the 20th day of his hunger strike, Robert Schulz, a retiree from upstate New York, received in writing a commitment from the Justice Department to send its top tax and legal experts to a two-day September hearing to be conducted on Capitol Hill.

It is expected Rep. Henry Hyde, R-Ill., will chair the session. That gives the proceedings a blue-ribbon quality. Hyde, the former chairman of the House Judiciary Committee, brought the articles of impeachment against Bill Clinton in 1998. The result was that Clinton became the second president and the first elected president in history to be impeached by the House of Representatives.

Dr. Victorio Berelli, a key activist for Schulz's cause, told NewsMax.com the hearing will be held Sept. 18.

Schulz's We The People Foundation announced that the Justice Department and the U.S. Congress had committed in writing to appear in a recorded public meeting with IRS representatives. There they will officially answer charges challenging the legal jurisdiction of the IRS and the illegal enforcement of U.S. income tax laws against U.S. citizens.

Assistant Attorney General Dan Bryant and Rep. Roscoe Bartlett, R-Md., signed the written statement Friday that makes the commitment. Schulz ended his hunger strike that afternoon.

We The People had filed the petition "to respond to his legal Remonstrance," challenging "IRS jurisdiction, routine and gross violations of due process by the IRS, the refusal of the IRS to cite the specific law that requires employers or employees to withhold taxes, and fraudulent ratification of the 16th [income tax] amendment."

Bryant said: "The American people are entitled to answers. It is in our nation's interest that we participate and answer these questions."

Until recently, Bartlett had stood alone in public support of Schulz's right to be answered by the government on his grievances.

The "briefing-like hearings" will be conducted in public, recorded and broadcast live, according to We The People.

Schulz was "elated that government officials have finally responded as they are required by both the First Amendment to the Constitution and their oaths of office."

The agreement was written on congressional letterhead and signed at the Justice Department headquarters. Bryant assured Rep. Bartlett and Schulz there is "virtually no chance of being overridden on this matter." It is hard to imagine such an explicit promise without getting the green light from Attorney General John Ashcroft.

Bartlett promised Schulz, "I assure you the IRS will be there at those meetings."

Having met face-to-face with the relevant government officials, Schulz said he had "looked into their eyes" and was satisfied that "they are men of honor."

We The People claimed it is no coincidence that President Bush revealed in the New York Times a few days ago that the government had begun to study "alternative tax systems, including disposal of the entire tax code."

In fact, just on Monday morning, White House Economic Adviser Laurence Lindsey appeared at a meeting with House Majority Leader Dick Armey, R-Texas, to discuss "The Tax Debate: From Relief to Reform."

We The People, in its press release, speculated that if indeed, the income tax system is ultimately found to be without the force of law, it is highly likely the government will move to implement a replacement code such as a national sales tax.

"The people must be vigilant that one illegal tax is not replaced by another," the organization warns.

There is one question that is not addressed by anyone on any side of the argument: What happens if the 88-year-old income tax code is officially found to be without the force of law and taxpayers begin to take legal action to get their money back?

That is the real ticking time bomb, and probably explains why so many have walked away from facing up to it. Who wants to take responsibility for opening that can of worms?

This in no way detracts from the applause Schulz is receiving for a willingness to put his life on the line to force public servants to be accountable to constitutional law.

Nonetheless, it will be interesting to see what happens when and if push comes to shove.

=====

I don't like to use "bad" words to describe what I think when I read this next article, but four words a friend of mine occasionally uses come to mind: "snake in the grass".

Monday, July 30, 2001
THE POWER TO DESTROY
Tax-activist meeting
in jeopardy

DOJ: Agreement ending hunger strike 'misrepresented'

By Julie Foster

© 2001 WorldNetDaily.com

Because a tax-activist organization "misrepresented" an agreement with the Department of Justice to discuss activists' arguments that most Americans are not legally required to pay income taxes, the DOJ will likely not participate in any such hearing, a department spokeswoman said.

Members of the self-named "tax-honesty movement" declared a victory last week when <http://www.house.gov/bartlett/> Rep. Roscoe G. Bartlett, R-Md., and Assistant Attorney General Dan Bryant signed an agreement to hold an open hearing in September discussing the movement's arguments. The agreement, signed on July 20, was prompted by the hunger strike of Bob Schulz, founder and chairman of <http://givemeliberty.org/> We The People Foundation for Constitutional Education. Schulz and Oklahoma businessman Roland Croteau vowed to subsist only on water until government officials agreed to meet in a public forum to debate the activists' contention that most Americans are not required to pay income taxes.

According to We The People, last week's signed agreement "commits the government to send their top tax and legal experts to a two-day September hearing to be conducted on Capitol Hill." But the Department of Justice indicated WTP's interpretation of the agreement is not wholly accurate.

Bryant is the head of the <http://www.usdoj.gov/ola/ola.html> Justice Department's Office of Legislative Affairs, which, among other things, handles requests from congressional representatives and their staff members. According to DOJ spokeswoman Lori Rabjohns, Bryant agreed to the meeting "as an accommodation for the congressman," which is Bryant's job, she said. Bryant was willing to listen to the arguments of tax activists, but the agreement did not necessarily include representatives from the IRS or "top tax experts," as stated by WTP, the spokeswoman explained.

As a result of its mischaracterization of the agreement between Bartlett and Bryant, WTP has put the September hearing in jeopardy.

"Because the group (WTP) is misrepresenting the department's agreement with this group, it is unlikely the department will participate," said Rabjohns.

Schulz said he learned Monday that the DOJ wanted an apology about WTP's July 20 press release. Schulz called Bryant's office but was unable to speak to him. As yet, the activist said, his call has not been returned.

Schulz is revising his original press release. Nevertheless, he said WTP's portrayal of the agreement is accurate.

"It's certainly not our intention to misrepresent anything," he remarked.

The signed agreement is a hand-written letter by Bartlett on his congressional stationery asking Bryant for "appropriate representatives" at the meeting, said Schulz. Bryant signed a copy of the letter.

But the agreement was more than Bartlett's signed letter, continued Schulz – there were verbal stipulations as well. Some of those verbally agreed-upon items, said Schulz, were that the meeting would be held on Capitol Hill to prevent it from becoming a "circus" atmosphere, and WTP would provide a list of people who were expected to attend. Also, there were not to be multiple video cameras in the room. Instead, according to Schulz, WTP would bring a videographer and Bryant would see that a transcript of the meeting was made. Schulz added that he planned to invite C-SPAN to cover the meeting.

The activist also said he was assured by Bartlett that IRS representatives would attend the congressional-style hearing. Bartlett's office did not return calls from WorldNetDaily.

In the meantime, Schulz holds out hope that a meeting with government officials will take place. He and other like-minded tax activists want the feds to answer questions about the constitutionality of the income tax.

"Bartlett is working with me to hold [the Department of] Justice to the agreement," he said.

Joe Lansing said last week regarding the proposed meetings: "I hope the IRS doesn't back out at the last minute. They've done that before." I assured him they would not this time. I guess you never can speak for someone else!

It will be interesting to see what happens - whether these meetings come off, or not. If they do, Robert Shultz has asked that pertinent questions be forwarded to his "preparation team". [THE FOUNDER] said that he will forward some "on point" questions (probably the only real "on point" questions that really matter). The honest answering of those questions, or the unwillingness to answer them, or any evidence of the lack of capability to answer them, would be tremendously eye-opening to the American Public, don't you think?

So, if the hearings go forward, AND if the Shultz team asks the pertinent "on point" questions, AND, if they don't get lost in fruitless arguments (like those pertaining to whether, or not, the 16th Amendment was properly ratified)...

...Stay tuned!

=====
[4] Call Reminder
=====

The TAX EXEMPT Conference Call, takes place Wednesday night, August 01, 2001, (and every Wednesday) at 9 PM EASTERN time. The number is: 305-503-1874, pin code 940 (No # required).

I want to mention something to new readers and to folks who have never been on THIS conference call. This call is NOT what you may be expecting when I talk about a "conference call". A lot of people today are used to big sales-hype conference calls, with

a lot of "Rah-Rah-Rah". This conference call is NOT a "sales" call. No one is trying to get you to enroll in something, or asking or suggesting that you try to get your friends to enroll. This is a TEACHING call. It consists almost entirely of questions and answers. It's a great place to hear other folks ask all sorts of questions, and get any questions of your own answered, and it provides you the opportunity to get a pretty well-rounded understanding of what this is all about in 45 to 90 minutes. I think you'll find it's one of the best \$3 to \$5 values you can find today. (The telephone long distance charges for most people).

May I ask, that when you call, you use a regular "connected-to-the-wall telephone", not an internet phone, a cellular phone, or even a cordless phone. Also, please, not a speaker phone, either, because often speaker phones seem to disrupt the quality of the call. Pressing the number 5 on your phone will mute your end of the line, so everyone can hear better; then, when you want to ask a question, you can press the number 4 to go off mute. If you can hear the noises, conversations, kids-playing, dishes clanging, and phones & faxes ringing where you are, we can hear it, too, and it makes it much more difficult to hear whoever is speaking at the moment. Thanks for your consideration.

If you like what you hear on the call, and you want to talk further to someone (including the call presenter) or ask more "personal" questions, remember how you heard about the call. No contact numbers are given out on the call, not because anyone is trying to hide anything, but because various representatives of [THE COMPANY] bring folks to the call. The call itself is not a "sales" forum and doesn't get involved in the sales "hierarchy".

See you on the call. Tell your friends about it, too.

=====
[5] Contact Information
=====

Paul Leinthall
Phone: 661-822-7889, Mon. - Fri. NOON to 8 PM (Eastern)
Email: littlehammer@primemail.com

-----NOTICE-----

In compliance with Title 17 U.S.C. section 107, this material is distributed free without profit or payment for non-profit research and educational purposes only.

=====

To SUBSCRIBE to this newsletter: Simply send an email to "taxexempt@primemail.com" (minus quotation marks) with the word "SUBSCRIBE" in the subject heading. If you want, you can put your name in the body of the email, so I have have a name to attach to the email address; but I do NOT provide this private information to ANYONE ELSE.

You can remove your e-mail address from this list by submitting an e-mail to:
"Taxexempt@primemail.com" (minus quotation marks). Put the word
"UNSUBSCRIBE" in the subject heading.

You may notice that I refer to [THE COMPANY] or to the founder of the company [THE FOUNDER] in various places throughout the Newsletter. I choose those expressions, instead of providing the actual names of the company or it's founder, for a couple of reasons...reasons which you'll also find reflected in my explanation of the copyright notice (below). I want to insulate [THE COMPANY] and [THE FOUNDER] from undue and unwarranted attention (especially negative attention or reaction), whether from a casual reader or from any taxing agency or authority, their attorneys, or representatives. Therefore, it is my desire that the reader be absolutely clear who is responsible for what appears in this newsletter. This newsletter is NOT sponsored directly by [THE COMPANY] or [THE FOUNDER], and while I believe I am being representative of [THE COMPANY's] and [THE FOUNDER's] philosophy, goals, ideals and the truth in law and in fact on which [THE COMPANY] stands to perform its valuable service for its clients (of which I am one), and while I may quote [THE FOUNDER], or someone else, I always seek to maintain each person's privacy, unless their words are already in the public (published) domain; thus I will take the heat for any negative attention, response or reaction.

Also, this allows anyone, including other representatives of [THE COMPANY], who find this information valuable, and who want to share it with others, to substitute their name and contact information for mine, and not have to worry about potential clients of the company going over their heads and bypassing them. Since [THE COMPANY] sponsored conference call and Joe Lansing, the conference call presenter, follow this same philosophy of client protection for their representatives, the information in this newsletter can, then, be more widely disseminated for the value and education of others. In the newsletter, I may occasionally use the name of the conference call presenter, Joe Lansing; but that's because he is also out in the public forum with his conference call.

About the copyright notice: The copyright notice covers all the contents herein, except quotations, if any. I value my (and the reader's) freedom, integrity and responsibility, and I desire to maintain an environment where I (and the reader) can utilize and distribute this written material. From the point of view of copyright law, if I don't first copyright this material, someone else could; and then, by law, they could disallow me (and the reader) from using or distributing it. Given that fact, copyright is the best avenue I know to continue allowing freedom for all of us regarding this matter.

Therefore, the reader is free to copy, print, use and distribute this material by personal email, fax, or handout (including substituting her own contact information), as long as BOTH the copyright notice AND this explanation of the copyright notice remain in the material. **However, I do NOT, nor does [THE COMPANY], in its own philosophy and ideals, authorize or condone ANY mass media distribution of COMPANY writing or materials, including (and especially) posting to any web sit. However, material written solely by the herein named copyright owner MAY be posted to a web site or some other media - but ONLY with the copyright owner's express, written, prior permission, in each instance.** The responsibility for the words contained herein resides with the copyright owner. The copyright notice makes absolutely clear who is responsible for what appears here; that way, the buck stops with me, should anyone question or challenge what is written herein.

This material is not intended to be interpreted as legal or financial advice. The copyright owner is neither an attorney nor CPA and has no license to offer legal and financial advise. I encourage the reader to study and think for herself and to make her own informed decisions, based on her own desires and beliefs, in harmony with her own inner sense and self-interested, positive and comfortable, good-gut feeling. For THAT, each reader is, himself/herself, entirely responsible.