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

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Tuesday, March 05, 2002

- [1] Welcome: The Shortest One Yet
- [2] Questions and Answers: Distinctions, Distinctions
- [3] News Briefs & Comments: The Media Blitz is On
- [4] Conference Call Reminders: **“Question & Answer “Call - for New Folks**
Wednesday NIGHTS - 9 pm EASTERN
1-620-584-8202, Pin 2974#
“*6” (Star 6) MUTES and UN-MUTES your line
ALSO
Corporation Sole (specific) Conference Call
Friday MORNINGS - 10:00 AM EASTERN
Same Number and Pin as Above
PLUS
A CLIENT’S ONLY CALL
Call Your Representative for Number and Time
- [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 100% effective 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.

-----NOTICE-----

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[1] Welcome & Editorial
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Howdy, Folks!

We've got a lot to cover this week, so to keep this edition inside eighteen pages, I'm going to keep this short and simply say, "Welcome - and good reading".

Your friend,
Paul Leinthall
661-822-7889, 9am-8pm, Mon-Fri., PACIFIC time
email: littlehammer@primemail.com

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[2] Questions and Answers
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Good Day Paul,
I'm just about ready to follow through on the corporate sole plan that you spoke about in your updates. XXX XXXX, a good friend, has been utilizing your services for a while now and is happy with the results.

There is a distinction between [THE COMPANY's] services your good friend has been utilizing, which apply to the "individual" income tax, and the corporation sole. While they can be, and often are, utilized together, they are separate things.

The individual "revocation of election" process and the "determination of tax status" process address the way the Law actually defines a person residing in one of the 50 States, a person whose income is derived solely from a trade or business within one (or more) of those 50 states. The processes used by [THE COMPANY] legally rebut the presumption, held by the IRS and State taxing agencies, that an individual, regardless of source of income, is a "taxpayer".

Their (IRS' and State taxing agencies') erroneous presumption is derived from two things, which, for most people, have occurred simultaneously from the time they first submitted a W-4 to their first employer and completed their first "IRS Form 1040 U.S. Individual Tax Return".

The FIRST GROUND upon which the IRS and State taxing agencies presume that you are a "taxpayer" and therefore subject to paying taxes on your income, comes from your employer (or any provider of any form of income) submitting a W-2 or 1099 to the IRS each year. The law actually requires employers and income providers to file W-2's and 1099's, BUT ONLY PERTAINING TO CERTAIN PEOPLE. The actual, lawful requirement is that a W-2 or 1099 be submitted to the government when an income provider pays a person who is NOT an American Citizen or who is a federal employee or elected official; in other words, the only people, regarding whom the IRS SHOULD be receiving W-2's and 1099's, are non US Citizens (also termed "resident aliens), living and working in this country on a "green card"; or those folks who work for American Companies, who are not American Citizens, but are Citizens of some other country; or folks who work for, or receive their income directly from the U.S.Treasury department, or who are ELECTED officials.

Over the course of years, virtually all employers and income providers have come to believe that the law actually requires them to file W-2's and 1099's on EVERYONE to whom they pay any money, wages, salary, or "income". Most people have come to believe this stemming from when the "withholding" idea started in 1943 to help fund the war effort. That "victory tax", as it was then termed, was collected by employer withholding. It was specifically designed to be temporary, but it was continued after the war - albeit NOT legally - via the government enlisting the aid of Walt Disney Studios to spread the word through the well-known cartoon characters, Donald Duck and his nephews, about what a good idea withholding was, and how it supposedly gave us better government and supposedly provided services and benefit. The actual truth met it's demise when the government conveniently left out a couple of vital chapters in the Internal Revenue Code back in 1953, which made clear some of the distinctions about which we speak. (The fact of the government's fraud in mysteriously leaving out these crucial chapters is the main subject of something called "The Ultimate Lawsuit", which a lot of folks are hearing about these days).

What a W-2 or 1099 says to the government is this: "I paid this person taxable income". While that would be true in the case of someone who was not an American Citizen or who was a federal employee, that same W-2 or 1099 is NOT true when it applies to American Citizens who are not federal employees. I did not say the "figures" aren't true or don't add up; I'm saying that the mere filing of the W-2 or 1099 by the income provider is a third-party WITNESS to the supposed fact that the income a person receives is subject to taxation. Under the pure intent of the law, that is simply NOT true. But, with (and by way of) the W-2 or 1099, the government has a "witness", and they have grounds to pursue and investigate you, just as if a supposed "witness" told the police he had seen you shoot your spouse or your neighbor.

The SECOND GROUND upon which the IRS and State taxing agencies presume that you are a "taxpayer" and therefore subject to paying taxes on your income, comes (as I've said often before) when you sign your name, under penalty of perjury, that you have examined your 1040 return and all the statements therein, and that, to the best of your knowledge and belief, they are true and correct. With your signature on that form, you AGREED, not only with the statement on the top of the form that called you a "U.S. Individual", as defined in the Internal Revenue Code, but you voluntarily agreed that your income was taxable, just as your employer and other income providers had falsely witnessed through their filing the W-2's or 1099's.

Pretty strong evidence to support THEIR claim that you owe taxes on that income, don't you think?

So, here we stand, nearly 60 years later, when most people, including virtually ALL income providers (employers, banks, brokerage houses, etc.), believe they are telling the truth when they submit their W-2's, 1099's, 1098's, K-1's, etc. each year to the IRS. They ARE telling the truth about the actual figures - the actual amount of money they paid you; but that's not the point. By law, they should only be reporting those figures to the IRS if they have the authority of law to be withholding money in the first place, which the law grants them ONLY in the cases of paying folks who are NOT Citizens of this country or who are federal "citizens".

Of course, the person who has been having his money unjustly removed from his paycheck all year, has virtually no choice but to file a form, which actually doesn't belong to him (the "Form 1040 U.S. (federal citizen) Individual Tax Return"), and

regarding which he has no legal requirement to file, and on which he has no choice but to declare that he is a person subject to income taxes, but which he has to file just so he get "some" of his own money back. And people do this every year, many of them not liking it, some of them actually believing they are doing their civic and patriotic (even "spiritual") duty of handling their "fair share". And then folks wonder why the IRS and State taxing agencies pursue the monies THEY believe is theirs each year.

But, remember, we are NOT advocating NOT filing, because, as I've explained in the past, this is the equivalent of having joined the military and not showing up for "duty".

What [THE COMPANY] does EACH YEAR, after the initial revocation process, and included with the status determination process, is to REBUT that widely held presumption, which has no LEGAL basis in the first place, that suggests you have received income that is considered "taxable income". However, at the same time, I must make clear that, because of the atmosphere of incorrect BELIEF on the part of most people, it is continually necessary for [THE COMPANY] to rebut the IRS' and State taxing agencies' erroneous presumptions EACH YEAR and to hold the mirror of the actual law, regulations, and procedures in front of their faces. Then, if they want to mount a challenge, let them do it in light of their own actual law and requirements, not the propaganda which they would like people to continue to believe.

The Corporation Sole, in distinction, is a separate "entity" and separate from both the revocation of election process and the status determination process. The Corporation Sole is actually the incorporation of an "office", held by the "titular head" of that office, who is the creator of the corporation sole. Right from it's creation forward, the IRS and government agencies have NO jurisdiction over the corporation sole, nor does any other government agency, apart from the laws of whichever of the 17 States that allowed for it's creation in the first place. At no time, does the IRS have any jurisdiction over the corporation sole, unless the creators are "duped" into thinking they have to submit the Corporation Sole to an Internal Revenue Code Section "501(C)(3)" or some other Section "50-whatever" status - which is the equivalent, in legal terms, of an "individual" submitting a "Form 1040 Tax Return". Registering as a "501(C)(3)" non-profit corporation is absolutely unnecessary for gaining ALL the benefits provided by Corporation Sole (including the ability to issue tax deductible receipts and operate a corporation sole as a "non-profit" entity, for those who so choose). In addition, the corporation sole provides privacy, liability protection and asset protection, which the "individual revocation process" does not.

But, the corporation sole only shields and protects WHAT'S IN it and what BELONGS TO it. While it operates AS your identical twin, that twin is NOT YOU, and its property and money is NOT YOURS. You may control it, as if it were yours, but technically, in the eyes of the law, it is not you or your's. That's no different from other entities (like trusts, IBC's, charitable foundations, or regular corporations), except, that in the case of the corporation sole, the titular head of the office (which presumably is you) is in SOLE control of all the monies and property. The real secret of the rich is not that they OWN so much, but that they CONTROL it and get the same benefits (without most of the detriments). And having the best of both worlds is particularly apropos and in proper step for the Corporation Sole.

Also, the Corporation Sole, protects and shields and provides it's benefits only from the time of its creation FORWARDS in time; whereas the individual revocation process goes forwards AND backwards in time, but ONLY applying to the individual, in his

relationship with the IRS and income taxes, NOT applying to privacy, property, or liability (except individual income tax liability) as is the case with the Corporation Sole.

Questions:

1. Have clients utilizing your services been challenged legally by the IRS?

The IRS has never legally challenged any client of [THE COMPANY]; in other words, neither the IRS nor any State taxing agency have gone to court, in pursuit of any client, as a result of the services [THE COMPANY] performs for clients.

This is NOT to say that the IRS or State taxing agencies never challenge what [THE COMPANY] does. It's their JOB to pursue the money they think is owed to them; but don't you find it interesting that if the full authority of law were behind their efforts they would not already have mounted a successful court challenge on the true issue? Or even that they have not mounted a challenge - either true or false?

The fact is that [THE COMPANY's] annual filings for each client, along with the filings included in both the revocation process and the status determination process, continue to present the evidence of what their law actually requires. As that is accomplished each year, they continually realize that they aren't going to "pull the wool over the eyes" of [THE FOUNDER] or [THE COMPANY] as to what the law actually says and requires.

2. If so, following your company's advice, has the IRS ever won a case against one of your clients?

Obviously "NO", since they haven't even mounted a challenge. To mount a legal challenge, outside the administrative arena, they'd have to have some actual basis in law. While they "presume" to have that basis (or would like people to believe they do) when they're dealing with the typical lone taxpayer, they realize they really don't have the ground when someone successfully presents their actual law to them in the administrative arena, which, if anything, is the "secret" of [THE COMPANY's] success.

3. Is it true that the company can recollect money paid to the IRS for the past 3 calendar years?

"CAN" is the operative word. Not guaranteed, by any means, because even the IRS offers no guarantees in this regard. And it COULD be a refund for up to ten years, not just three. But, remember, we do NOT GUARANTEE anything in this regard; and, if successful, [THE COMPANY] benefits with a standard, one-third recovery fee.

Sincerely,
Paul Leinthall

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Hi XXXX,

I'll intersperse my answers:

Hello, another couple of questions.

When reading through the application, I find that it mentions personal only, or perhaps I have misunderstood something. I am a sole proprietor, since I file as my business and my business files as me, will [THE COMPANY] revoke my status on personal and business level? Does revoking personal mean the business is revoked as well?

Sole Proprietor is the same as individual. You would have normally filed all your income taxes on the same form, and you would have included a "Schedule C". Being a sole proprietor is about the only case where a "business" can be considered income tax exempt, because the business IS you. Other forms of business (corporations, LLC's, business trusts, etc.) have their own (and generally separate) tax reporting requirements.

I do receive 1099's from companies, and I assume that I will continue to do so in the future. How will their receipt affect my revoked status?

It will not affect it adversely in any way, although it keeps [THE COMPANY] busy each year rebutting the presumption the IRS has, based on the "evidence" represented by the 1099, which suggests that someone has paid you income which is subject to taxation.

[THE COMPANY] will file for a refund of all taxes paid in the last 10 years and then take 1/3 of it?

IF and WHEN the IRS refunds any monies that you have PAID in the past (withholding is not the subject here), [THE COMPANY] gets a standard 1/3rd collection fee, yes. These refunds are NOT guaranteed, since the IRS does not guarantee refunds.

Once the master file is changed with the IRS, why will I need to perpetuate the contract with [THE COMPANY]?

Thanks.

For two reasons: One, there are only two clear indications in the IRC for ceasing to file returns once the process is started after having filed your first 1040: the first reason is "death," and the second is "making below a threshold minimum income."

Second: The IRS uses those 1099's as "evidence" that you are a "taxpayer". The law requires that companies file 1099's and W-2's, etc. only on people who are NOT American Citizens, or who are "federal" citizens. (Another truth and fact of law that's been buried and forgotten over the last 60 years). Because the 1099 "evidence" is coming from an impartial witness (your employer or whoever issues the 1099), and because it indicates that you have been paid "taxable income" (even though you haven't), [THE COMPANY] has to rebut the IRS' presumption EACH YEAR that you are in the status of one who is liable for paying a tax on that income.

Sincerely,
Paul Leinthall

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Hi XXXX,

Let me respond by interspersing my replies:

Good Morning Paul:

I read your weekly letter with great interest last night and I have some concerns, perhaps I should say questions. On page 8 of 14 in the 2nd paragraph you state: "Regarding offshore income, it can only be protected when the money comes from offshore into a corporation sole account. Even that kind of income creates a "taxable event" when it comes into an individual account, regardless of individual "tax exemption."

What I get out of this statement is: (1) money earned offshore is taxable even though it was not earned on a federal installation

Let me say it a little differently, not to split hairs, but to express how the Internal Revenue Code looks at this "event":

When money that has been earned offshore is brought into the country, the activity of bringing it onshore creates a "taxable event". It is the ACTIVITY (the bringing onshore that which is sourced outside of this country) that is the key, and that's true, even though it is not sourced in a federal jurisdiction, because it falls under two different sections of the Internal Revenue Code from those which apply specifically to the "individual" income tax. (Social Security taxes, for example, are also governed by different sections of the Internal Revenue Code from the sections which apply to the "individual" income tax, which is why a person can be "income tax" exempt, and still not affect, positively or negatively, social security and the rules that apply to it.)

This has become an even more critical area since "9/11" and the new laws which have been passed (in the name of patriotism and the so-called "war" against terrorism), which laws seem primarily aimed at giving the government greater ability to track money and its movement.

(2) even though the individual is tax exempt

Yes, because it has difference rules and regulations pertaining to it.

and (3) even though it goes into a sole corporation account, regardless of where the corporation is located offshore or onshore, once it is removed and placed in an individual account it becomes subject to taxes. Is this the correct interpretation?

No. What is "tax exempt" INCOME TO the corporation sole, can now be gifted to you (or used to pay for the things that you might normally pay), and anything you receive from the Corporation Sole is to YOU Tax exempt under the revocation process.

The point in this regard is NOT whether or not the corporation sole has offshore accounts, but that when the money is brought INTO the country, it goes INTO a tax exempt entity, which, in this case and discussion would be the Corporation Sole.

If this is correct, then what value does "tax exemption" and the sole corporation provide for offshore investors other than the protection of assets from seizure? I

understand the importance of protecting assets from seizure, but I was under the impression that I was also protecting from taxation.

Yes, the corporation sole does both. But individual is always individual; and corporation sole is NOT you and is also tax exempt, including tax exempt on the offshore income which you, as an otherwise tax exempt "individual" in the capacity titular head of a corporation sole, bring onshore.

I got this impression when I first read your letter: "Exempt is Better Than Exemptions." I would still like to read the lengthy material on the corporation sole. I enjoy your newsletters; they are very informative and educational. I have not yet managed to make the Friday call; however, I should be able to do that this Friday. Thanks for all of your information.

XXXX



After reading about the Corporation Sole, I read through the application and am a little confused.

The application asks about affiliating with a church, etc. I don't think I plan to do this now, but in the future, and I don't know how I would answer those questions. If one wanted to be set up as if a Monarch for asset protection, is that what one should answer?

I guess I'm not clear on the Corporation Sole. I understand that setting one up and having one's possessions in it would insulate them from judgements and litigation. If it it not affiliated with a church, will the same benefits be derived? I mean, if I want one for me (and me only), but I'm not affiliated with any particular church and have no desire to do so other than what I feel the Universe dictates me, can one still be established?

My ultimate goal is protection of my assets and the ability to do philanthropic work. I don't understand when asked about having a "membership". What would the membership consist of and what would their benefits be? Any?

Can you shed any light on this please?

Thanks.
XXXXX

Hi XXXXX,

Corporation Sole came FROM the church, back in the 800's, when the church was wanting to keep it's property separate from the State. The church still wants that, as do most folks in any "church". Today, the "strength" of the corporation sole comes because it must be created around a "purpose" or "mission" that can be explained (set in writing) as having either a religious (sometimes "church"), educational or eleemosynary (charitable, philanthropic) emphasis. Obviously most "churches" have all three purposes; but you need not be affiliated with a recognized church to create a Corporation Sole. The Constitution says that "Congress shall make no rule regarding the

establishment of religion" - hence the courts have consistently refused to define exactly what a religion IS. That's the strength of the umbrella of law pertaining to corporation sole.

Being formulated around one or more of those three purposes, then obviously, it behooves the corporation sole to have the ability to "make money", have assets, and protect those assets. That's all geared toward the furtherance and sustenance of the purpose of the corporation sole. The benefits of a properly created corporation sole adhere to ANY corporation sole, not just one that is created purely for the purpose of propagating a particular religion or church which is associated or affiliated with any particular religion.

Sometimes, corporations sole can be created on a "membership" basis (which might actually be the case for a church; although not necessarily). Obviously, as an individual, that is less likely the case, but it certainly can be considered in the case of a family. (The specifics of this would be appropriate questions for the Friday MORNING conference call pertaining specifically to corporation sole).

Funds (monies) are put into the corporation sole the same way funds are "put into you" - they go into a some kind of account (bank, savings, brokerage, etc.) held by the corporation sole in its name, just as your funds go into some kind of account (bank, savings, brokerage, etc.) held by you in your name.

Sincerely,
Paul Leinthall

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[\[3\] News Briefs & Comments](#)
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"First, from our favorite New York Times reporter," littlehammer said, with tongue-in-cheek, "an article that is always appropriate this time of year (tax season), as the propaganda machine tries to let everyone know that they should continue to FEAR the tax man."

All tongues (and cheeks) aside, we always hear, particularly during tax each year, the supposed "truth" that the feds are going to get you if you avoid taxes or promote avoiding taxes.

Correct me if I'm wrong, but haven't we always heard that "tax avoidance" is LEGAL, while "tax evasion" is not? But, alas, the truth be known, it just isn't politically correct these days to even think one can really, honestly, legally, avoid having to pay something to the hand that bites (...err...feeds) you.

The important distinction I want to bring out here, as I have before, is that [THE COMPANY] does not TEACH people how to avoid or evade any true tax for which a person is liable, including any tax on income. Instead, [THE COMPANY] simply holds the Internal Revenue Code before the eyes of the IRS (and State taxing agencies), and let's them peer into the mirror of their own code.

Do they "like" what [THE COMPANY] does? Probably not, but they have the obstacle of their own law, regulations, procedures, and requirements to overcome before they can have the actual force of law to have more bite than bark. In the meantime, we stay away

from painting a target on our backs, which we would be doing if we openly defied them as so many folks are want to do.

This article is an account of what can happen when you do:

February 27, 2002

Court Moves to Limit Tax-Avoidance Promoter

By DAVID CAY JOHNSTON

A federal judge in Florida has ordered one of the biggest sellers of tax-evasion plans to stop making statements that income taxes are voluntary and that the Internal Revenue Service has no authority to collect taxes.

Yesterday, however, the Web site used by the promoter, Joseph N. Sweet, still featured statements that income taxes are voluntary and are turned over to eight bankers in Puerto Rico and that the I.R.S. is a criminal organization.

Word of the decision against Mr. Sweet, who says he has close ties to a congressman who wants to end income tax withholding, comes as a number of antitax groups, calling themselves the tax honesty movement, begin two days of meetings this morning in Washington to build support for their views.

The groups have petitioned the I.R.S. and the Justice Department to show them the law that authorizes the government to collect taxes and prosecute those who do not pay, and they have urged people to stop filing tax returns until their 299 questions are answered.

In the injunction issued in Tampa, Federal District Judge Steven D. Merryday ruled on Feb. 20 that Mr. Sweet and his business, EDM Enterprises, "have engaged in conduct which interferes with the enforcement of the internal revenue laws."

The judge also permanently barred anyone associated with Mr. Sweet, including the Joy Foundation, the entity in Tampa through which he markets his products, from making a host of statements deemed false. These include assertions that taxes are voluntary, that individuals are exempt from taxes, that only income from foreign sources can be taxed and that the I.R.S. lacks the authority to collect taxes.

The Joy Foundation charges as much as \$8,235 for a "degree" in tax avoidance. It has collected at least \$6.5 million from clients in recent years, the Justice Department stated in court papers. Judge Merryday ordered Mr. Sweet to give a copy of the court's order to each of his clients within 30 days.

Mr. Sweet said yesterday that he had no comment on the injunction. His lawyer, Milton Baxley II, declined to comment on whether the court's order would be obeyed.

At a seminar it sponsored in Canc'n, Mexico, last summer, the Joy Foundation's main speaker was Representative Ron Paul, Republican of Texas, who has introduced legislation to repeal the 16th Amendment and to end withholding of income taxes from paychecks.

Mr. Paul said yesterday that he had known nothing of the Joy Foundation's activities when he spoke in Canc'n and that if he had, he probably would not have attended.

He said, however, that while the tax laws were valid and must be obeyed, he did share the Joy Foundation's belief that requiring businesses to withhold taxes and keep records "is involuntary servitude" in violation of the 13th Amendment.

The groups of tax protesters that are meeting in Washington had originally expected that Representative Roscoe G. Bartlett, Republican of Maryland, would hold a hearing on their petition. But Mr. Bartlett broke with them after one of their leaders urged people to stop filing income tax returns until the questions were answered.

He also told the groups that the I.R.S. and the Justice Department had refused to meet with them because of the statements of one member, Robert Schulz, president of the We the People Foundation in Queensbury, N.Y.

Mr. Schulz's organization placed a full-page advertisement in The New York Times (news/quote) on Feb. 10 saying that the government's refusal to answer questions about the authority to collect taxes had created a "constitutional crisis."

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This is something similar which I pulled directly from "We The People's" Website. I think you'll see, as you read, that the truth of law is really on the side of the people. While [THE COMPANY's] way of handling things for each client is not exactly along the lines of everything they propose, and while we applaud these folks for what they're attempting to do (and they are certainly drawing some attention to these truths and facts of law), it is also obvious that certain "powers that be" do NOT want to have their panties exposed.

Fortunately, NONE of us has to wait until "these truths become self-evident"; we can be virtually free NOW from both State and Federal Income taxes, on the solid ground of the law, by taking a less - much less - confrontational route, while we allow the dog to bark as much as it wants. Since we're not really in the dog's yard, and the chain-link fence of the law separates us from the dog in it's yard, while the dog may "think" it has the right to bark (and does), it's a whole lot different from being in the dogs yard, exposed to it's bite.

Some folks, however, like to taunt the dog, and poke a stick at the dog through the chain-link fence. Perhaps it's no wonder that the dog seems to be barking more these days, even at some of our clients. (Sometimes, the dog barks even when you're walking down the other side of the street. Who knows what the dog, in its own mind, considers "its yard"? The dog's owner (the law) knows that we're not in the dog's yard; but even the owner can't stop the dog from barking!)

Historic Truth-in-Taxation Hearing Exposes Government Fraud---And Abuse Of Power Against American Citizens. The Evidence And Record Of Facts Now Stand Irrefutable.

Extensive Documentary Evidence and Expert Testimony Under Oath Established a Factual Public Record That Will Be Used by The People in Upcoming Legal Actions.

On February 27 and 28, 2002, at the Washington Marriott in Washington DC, the We The People Foundation for Constitutional Education sponsored the long-awaited Truth-In-Taxation Hearing. This historic event brought to public attention the facts about how the three branches of the federal government have intentionally and systematically conspired to deprive the American People of our Constitutional rights, and reduce our citizens to indentured servants of a corrupt federal government bureaucracy.

The hearing was but another step in the People's determination to get to the truth regarding the fraudulent origin and operation of the Federal Reserve System, the unconstitutional creation of the Internal Revenue Service, and the illegal operations of our nation's income tax system.

Expert witnesses testified, under oath, to various questions challenging the legal authority of the IRS to force employers to withhold any income tax from the paychecks of their employees and the legal authority of the IRS to force most American citizens to file a tax return and to pay the income tax.

The Foundation's objective was to establish a factual record, to be used by the People in support of their future actions regarding the income tax.

Although we had hoped to have hostile witnesses from DOJ and IRS answer our questions as they agreed to in July, 2001, they arrogantly refused to appear before We The People in this recorded, public forum to answer our questions.

From the Record of the hearing, the reason is obvious; DOJ and IRS could not answer the questions truthfully without admitting to the fraudulent jurisdiction of the IRS and the illegal operation of the income tax system.

Instead, we asked independent expert witnesses to answer the questions that the Department of Justice, Internal Revenue Service, Congress and the Federal Courts have steadfastly refused to confront publicly.

The witnesses at the hearing were highly credible, educated experts who have extensive legal and technical expertise and first hand knowledge of the abuses the American people are suffering under our unlawful and abusive income tax system.

The expert witnesses included constitutional and tax attorneys (Larry Becraft, Paul Chappell and Noel Spaid), Certified Public Accountants (Joseph Banister, Victoria Osborn and Sherry Jackson), former IRS agents (Joseph Banister, Sherry Jackson and John Turner) and tax law researchers and authors (Bill Benson and Irwin Schiff).

As thousands of citizens across the country watched the live web broadcast of this historic truth-in-taxation hearing, the irrefutable truth about the fraudulent origin and unlawful operation and enforcement of the income tax system unfolded with every piece of compelling documentary evidence and sworn expert testimony.

The factual record established at the hearing is absolutely conclusive and irrefutable. From the professional credentials and sworn testimony of the expert witnesses, the exhaustive citations of constitutional and case law, the comprehensive review of statutory definitions, the extensive list of certified government documents, the presentation of over 500 legal questions--each in the form of a statement of legal fact, the truth-in-taxation hearing proved conclusively that the federal government has perpetrated a massive fraud against the American People.

The hearing record should now remove any doubt by anyone (including Congress, the Department of Justice and the Federal Courts) that the nation's income tax system is unconstitutional in its origin, fraudulent and abusive in its operation, and ultimately repugnant to every principle of equal justice, due process of law and personal liberty that we cherish as Americans.

The proof was, as predicted: startling, compelling, disturbing and irrefutable.

The record of the hearing proves conclusively for history:

- The Internal Revenue Code does not make most Americans liable to file a tax return and pay an income tax.
- People have a right to the fruits of their labor; the income tax is a slave tax, and is prohibited by the 13th Amendment.
- Congress lacks the authority to legislate an income tax on the people except in the District of Columbia, the U.S. Territories and in those geographic areas within any of the 50 states where the States have specifically approved it, in writing. No legislative jurisdiction means no taxing authority.
- There is no income tax exception to the 5th Amendment's guarantee of the Peoples' unalienable right not to be compelled to be a witness against themselves; individuals do, in fact, waive their 5th Amendment (Miranda) right not to be a witness against themselves when they sign and file a Form 1040 tax return.

- Personal income taxes polarize and divide an otherwise united nation and promote class warfare and mistrust of our government.
- The IRS, the courts and even the NY Times cite the 16th Amendment as government's authority to impose a tax directly on the People's labor. However, the 16th Amendment did not come close to being lawfully ratified by æ of the states as constitutionally required, and was fraudulently declared to have been ratified in 1913 by Philander Knox, the Secretary of State. The 16th Amendment is null and void.
- The IRS routinely violates the 4th Amendment due process and privacy protections of Americans by seizing assets without lawful authority or a court order and by denying citizens their right to statutorily-prescribed, administrative remedies.
- The IRS willfully and intentionally manipulates taxpayers' Individual Master Files for the purpose of creating time-barred assessments, creating and providing fraudulent certificates of official records to the court to support illegal assessments, manipulating master files to short-pay taxpayers' legal interest owed by the government, collecting social security from taxpayers via levy in direct violation of the law, willful and intentional creation of fraudulent penalty and interest against taxpayers, and willful and intentional violation of taxpayers rights to due process.
- The IRS, without legal authority, routinely and illegally prepares "dummy returns" with inflated assessments for taxpayers who legitimately do not file a tax return as a means of punishing those who stand on their legal rights in choosing not to file.

The leverage of this historic hearing will go far beyond the record it created and become the central focus of the Peoples' next steps to end the illegal income tax system. Details of specific legal actions being taken in response to both the hearing findings and the government's refusal to respond to the Petition for Redress of Grievances will be released during the next week.

The power of the hearing was also a demonstration of the physical might of the communications channel used to broadcast the hearing - the world-wide-web and the personal computer. Thousands of people across this nation witnessed this hearing live.

We demonstrated that the People are no longer dependent upon the dominant broadcast media, including C-SPAN, to transmit to thousands of widely separated electronic receivers, at the same time, transient images of moving objects together with sound, on a 24 hour, seven day per week basis if necessary.

We demonstrated the power of the People to use mass media to effectively counter government propaganda.

We even demonstrated the power of the People to trump the power of the traditional T.V. - the medium of choice by the government and those who prefer to quote officialdom, (rather than the People): NBC, ABC, CBS, PBS and the major cable companies.

The Technology

In addition to the historical content of the hearing, cutting-edge multi-media and internet technologies were integrated and deployed in a unique combination for the first time to virtually eliminate the need to attend the hearings in person.

Viewers on the internet could not only see and hear the proceedings live via a professionally produced video broadcast, but could simultaneously see the text of the questions being asked and access live "hyperlinks" to the actual evidence as it was presented at the hearing.

In this way, viewers at home or the office across America could independently download, view and/or print usable copies of the evidence, independent of the video streaming. In fact, the webcast software and evidence database were used live in the hearing room to project the evidence to the audience and those testifying on a series of projection screens and monitors.

Remote access to individual webcast streams was controlled via passwords and user-ids that were generated electronically at the time of purchase. Purchases were made via a secure, customized on-line e-commerce system.

The Foundation believes its successful demonstration of these technologies may mark a significant leap in the ability of the freedom movement to organize, communicate and broadcast all while bypassing the established media providers such as C-SPAN, network news, etc. The ability to transmit, both live and delayed, coverage of key freedom events should prove extremely beneficial in our collective fight to elevate the Constitution to its rightful place in our society, and to strengthen our Republic through education.

Many thanks go to Scott Hildebrandt of e-knowledge, Inc. for developing the webcast and webcast management systems.

Obtain Copies of the Record.

For a minimal donation to the Foundation, copies of the full hearing/record can be obtained now on CD-ROM and VHS tape.

The CD-ROM versions will contain copies of all the evidence as well as a large volume of supporting materials that most will find very valuable. Obviously, the VHS tapes cannot include copies of the evidence and can only include a video/audio record of the sworn testimony and questioning in the hearing room.

We encourage people to request multiple copies of the CD-ROMs and/or the tapes and to share them with people they know and to request of those people that they do the same.

We The People are entitled to a system of taxation that is constitutional in its construction, lawful in its administration, and just in its effect. We are a sovereign people with deep respect for our unalienable right to life, liberty and property through responsible citizenship. We The People reject the proposition that government is entitled to control any part of our lives or property without our consent. We do not recognize a majority vote as a license for government to abuse its limited constitutional authority. Under our constitutional form of government, we acknowledge and honor the proposition that all men are created equal, and that every American citizen is endowed with certain unalienable rights that cannot be lawfully denied by majority vote. But we can only hope to achieve honest, accountable government, and a lawful system of taxation in our nation if we build a critical mass of knowledge and awareness among our people.

We The People Foundation For Constitutional Education, Inc. fought with fierce determination to give the American People the truth-in-taxation hearing on February 27-28 in Washington, DC. Against overwhelming odds, and at tremendous financial costs, we have completely exposed how the Department of Justice, the Internal Revenue Service, Congress, the Federal Courts, and the politically controlled major media, all turned their backs on our Constitution and the American People. The hearing was a great success for our nation and the cause of freedom. We will now move forward to build the critical mass of awareness required to destroy this fraudulent income tax system, and the culture of government abuse and criminal conduct that it has produced in our society.

Please understand that the Foundation has incurred substantial expenses over the past 7 months in bringing these truths to the American People. We have incurred hundreds of thousands of dollars in direct expenses related the webcast technology, the hearing facilities, travel expenses, attorneys, advertising, and so forth. Countless people selflessly volunteered their time and resources to make the truth-in-taxation hearing a reality. As you know, We The People Foundation is an educational organization and does not sell products or services for a profit. We have no paid staff and must rely on the support of volunteers and donations from those who share our love of Country, commitment to our constitution, and dedication to the cause of freedom. Every dollar we receive in donations goes directly to pay hard expenses in our vigilant fight to protect and defend those principles of equality, justice and liberty for which we, as Americans, stand. We must now ask for your financial help. We need your direct financial donations and your purchase of copies of the recording of the hearing. Please help us at this critical hour in the life of our nation. We must stand together and use our collective resources if we are to prevail in this eternal fight for liberty.

Respectfully,

Bob Schulz
Chairman

We The People Foundation For Constitutional Education, Inc.

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[4] Call Reminder
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The **TAX EXEMPT Conference Call**, for “new” folks, takes place **EVERY Wednesday NIGHT** at **9 PM EASTERN** time. The number is: **620-584-8202, pin 2974#**.

The **CORPORATION SOLE (specific) Conference Call**, is on **Friday MORNINGS**, at **10 AM EASTERN** time. The number is the same as above

Also, there is a **CLIENT’S ONLY Conference Call** available (obviously) for Clients Only. If you're already a client, and you would like to be on that call, **CALL YOUR REPRESENTATIVE for the phone number and time,]**

I want to mention something to new readers and to folks who have never been on the [THE COMPANY] Conference Calls. The calls are NOT what you may be expecting from a typical “conference call” these days. A lot of people are used to big sales-hype conference calls, with a lot of “Rah-Rah-Rah”. The conference calls are NOT “sales” calls. No one is trying to get you to enroll in something, or asking or suggesting that you try to get your friends to enroll. These are ALL TEACHING calls. They consist almost entirely of questions and answers, after a brief introduction. They’re a great place to hear other folks ask all sorts of questions and get any questions of your own answered, and they provide you the opportunity to get a pretty well-rounded understanding of what this is all about in 60 to 90 minutes. I think you’ll find they’re one of the best \$3 to \$5 values you can find today. (The telephone long distance charges for most people).

Pressing “*6” (Star 6) 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 “*6” again to go off mute. If you’re having a hard time hearing, with various noises in the background from other folk’s lines, such as: conversations, kids-playing, dishes clanging, and phones & faxes ringing, then be assured, everyone else can hear the ambient sounds from your environment. It simply makes it much more difficult to hear whoever is speaking at the moment. Thanks for your consideration in this regard.

May I suggest, if possible, that when you call, you use a regular “connected-to-the-wall telephone”, rather than a cellular phone (particularly when driving), or even a cordless phone. Also, please, not a speaker phone, either, unless it has a “mute” button, because speaker phones amplify the ambient sounds in your environment. And PARTICULARLY NOT an Internet phone, a true “killer” of conference call Quality.

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.

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[5] Contact Information
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Paul Leinthall

Phone: 661-822-7889, Mon. - Fri. 9 AM to 5, PM (Pacific)

Email: littlehammer@primemail.com

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 follows 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.

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.

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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.