IRS:

Agents of a Foreign Government?

by

Dan Meador,
Bill Cooper et al

Agents of a Foreign Government: A Bizarre Saga

By Dan Meador (April 5, 2000)

An Internet friend recently forwarded an article by Bill Cooper, published in the September 1995 issue of Veritas. The title is "B.A.T.F./IRS Criminal Fraud". Wayne Bentson of Arizona collaborated with Cooper, also of Arizona, to produce a documentary article that would spark revolution if syndicated media published it.

The Cooper article might have befuddled me when I first saw it the month it was published had it come out of the blue, but my wife and I had just finished what we called the "monster" tax. Our index went through the Internal Revenue Code section-by-section, listing regulations as they appear in the Parallel Table of Authorities and Rules, then we tracked titles and listed headings for the regulations. Because of our index, I was able to verify many of Cooper's authorities without going to actual texts. What I found was that Cooper-Bentson conclusions were reinforced by the index.

One significant proof we had was that there are no implementing regulations for section 7621 of the Internal Revenue Code, which authorizes the President to establish revenue districts. Consequently, there are no revenue districts in States of the Union. The Cooper article explained why. With enactment of the Internal Revenue Code of 1954, Federal income tax administration had for all practical purposes been turned over to the Bureau of Internal Revenue, Puerto Rico, which in 1953, via executive name change, had become the Internal Revenue Service.

I might not take time to write this account, but an Illinois attorney and an Idaho United States Attorney put icing on the cake. The Internal Revenue Service is an agency of a government that is technically foreign to the United States, and the Department of Justice does not have authority to defend IRS personnel in civil or criminal matters. We'll elaborate on that good news later. Before detailing these revelations, I need to account for significant historical events.

There was a troubling void in Cooper-Bentson research. When Cooper wrote the article in 1995, he and Bentson hadn't found origins of the Bureau of Internal Revenue, Puerto Rico. I didn't find it until late 1998 even though I knew where to look when I read the Downs v. Bidwell decision in 1997. The first civil governor of Puerto Rico established five bureaus in the Puerto Rico Department of Treasury on May 1, 1900. The five bureaus were eventually merged to become the Bureau of Internal Revenue. Early Puerto Rican administrative acts and legislation were annually published in Senate Documents after 1900. Detailing evolution of the Bureau of Internal Revenue is simply a matter of sitting down with these dusty old books.

Our acting Secretary of our Treasury changed the name of the Bureau of Internal Revenue to Internal Revenue Service in 1953 prior to implementation of the Internal Revenue Code of 1954. The new Code, which replaced the Internal Revenue Code of 1939, was based on Reorganization Plan 26 of 1950 and Reorganization Plan 1 of 1952, both effected by Harry Truman.

In his article, Cooper cited the Federal Register and the Internal Revenue Manual acknowledgement that Congress never created a Bureau of Internal Revenue. We have since located a decision where Supreme Court justices acknowledged that Congress never created a Bureau of Internal Revenue or Internal Revenue Service. Consequently, IRS has no lawful authority to enforce anything in the Union as Congress is charged with responsibility for establishing any government department or agency that the Constitution itself does not establish. If it isn't established by law enacted in compliance with the constitutionally prescribed legislative process, an agency doesn't legitimately exist. It has no lawful authority. Whatever it undertakes is de facto -- it may do one thing or another in fact, but all acts are without lawful authority.

In the historical account by the Commissioner of Internal Revenue published in the Federal Register and the Internal Revenue Manual, the Commissioner alleged that Congress intended to create a Bureau of Internal Revenue via 1862 legislation that established the Commissioner's office. But by reading the 1862 legislation, it is easy to see that Congress did what was intended. The act created the offices of assessor and collector, with one of each for each revenue district. Assessors and collectors were appointed in the fashion U.S. Attorneys are presently appointed. They were political patronage positions. The offices continued to exist until implementation of Reorganization Plan 26 of 1950.

In order to come to terms with what happened via the Truman reorganization plans, we need to review evolution of law relating to drugs and alcohol dating to the turn of the century. We will begin with termination of national alcohol prohibition, then take another step back to the time immediately following the Spanish-American War in 1898 and the Chinese Boxer Rebellion in 1900.

In 1933, the Twenty-first Amendment repealed the Eighteenth, which terminated national prohibition. Each State of

the Union was thereafter free to determine whether or not to continue prohibition. However, Federal agencies continued to enforce state liquor laws to the point of the Constantine decision in December 1935. In the decision, Supreme Court justices said that once the Eighteenth Amendment was repealed, State and Federal agencies ceased to have concurrent jurisdiction for enforcement of alcohol-related laws as the Eighteenth Amendment contained the concurrent jurisdiction grant of authority. Once the amendment was repealed, concurrent jurisdiction was repealed.

Until summer 1935, the Feds enforced 1926 prohibition law. The 1926 law was replaced by the Federal Alcohol Administration Act of 1935. In the wake of the Constantine decision, a director was appointed, but the Federal Alcohol Administration was never staffed. Then via Reorganization Plan 3 of 1940, administration of the Federal Alcohol Administration Act was transferred to the Bureau of Internal Revenue, predecessor of the Internal Revenue Service.

As the Cooper article suggested, BIR, Puerto Rico and/or BIR, Philippines had already effected encroachment into the Union via China Trade Act legislation, which implemented maritime (customs) laws relating to trade in opium, cocaine and citric wines. The first drug-related law significantly affecting the Union was passed in 1914, then with the 1918 amendment, Federal agencies began zealously enforcing drug laws in the several States even though they applied only to international trade.

Timing was ideal. Significant political mobilization was responsible for the alcohol prohibition amendment, so Federal enforcement agencies took advantage of considerable empathy for purging any kind of intoxicating substance. In his letter supporting the 1940 Reorganization Plan, Roosevelt acknowledged that BIR had been enforcing provisions of the Federal Alcohol Administration Act anyway, so formal transfer of responsibility didn't effect significant change. BIR, Puerto Rico, and possibly BIR, Philippines, had been engaged in covert operations in the several States for at least two decades prior to transfer of administration of the Federal Alcohol Administration Act.

This is an important point that can be framed by a question: Has the Constitution been amended to impose national prohibition against drugs classified as controlled dangerous substances? If it required an amendment to impose national prohibition against alcohol, and alcohol prohibition was repealed when the amendment was repealed, it would obviously take a constitutional amendment to impose national drug prohibition. No such amendment exists. Yet approximately 60% of our Federal prisoners, and 35-40% of our State prisoners, are incarcerated for drug-related offenses. This usurpation of power is responsible for unlawful incarceration of at least a million Americans.

Via the Spanish-American War, United States Government strengthened her global empire position in the Atlantic and Pacific, then following the Boxer Rebellion, we joined hands with Britain, Germany and other maritime interests to carve up China for purposes of drug trade. Via the China Trade Act in 1904, Congress enacted domestic legislation that for all practical purposes monopolized importation of opium and cocaine, both of which have important medicinal as well as recreational uses.

Some time before Cooper wrote his article, I read the 1992 New York v. United States decision. In the decision, Justice Sandra Day O'Connor used the term "Cooperative Federalism".

My response was "What the devil is Cooperative Federalism?"

The next time I saw formal use of the term was in the title of an article in the 1992 edition of The Book of the States. In the meantime, I ran across the "Federalism" executive order Ronald Reagan executed. William Jefferson Clinton keeps trying to liberalize the Federalism executive order to further Federal encroachment, but he is getting considerable resistance. This particular executive order is simply a policy statement. It doesn't meet publishing requirements of section 301 of title 3 of the United States Code and the Federal Register Act, so it has intragovernmental application only (See 5 U.S.C. ß 301 for limitations). While practice is something else, Mr. Reagan's Federalism executive order ideally preserves the clear line between State and Federal authority, while Mr. Clinton, it seems, would brazenly crash the Tenth Amendment barrier.

Although the second is a redundancy, let's address the Federalism/Cooperative Federalism scheme through two constitutional questions: Have Article I ß 8, clauses 5 & 6 and Article I ß 10, paragraph one of the Constitution been repealed or amended? Has the Constitution been amended to effect prohibition against opium, cocaine, and other such substances?

We'll follow those questions with two more: Do we have gold and silver coin as our national monetary system? Do we have national prohibition against drugs?

Obviously, the Federal Reserve Act of 1913, as amended, is patently unconstitutional. At least it is if it applies to the Union. But it might not be if it applies to United States Government itself and territories and insular possessions of the United States. Likewise, Federal drug laws might be legitimate if they apply to the District of Columbia and insular possessions of the United States. It is here that Congress has plenary or near-absolute power. And we can lengthen the list. The Federal Alcohol Administration Act is legitimate in Puerto Rico, but not Oklahoma. Likewise, the Social Security Act of 1935 is legitimate in Puerto Rico, the Virgin Islands, etc., but not in Kansas. Also in 1935, the Supreme Court judicially condemned Congress' first effort to implement a national social welfare program.

When the Social Security Act was subsequently enacted, it applied only to the District of Columbia, the territories of Alaska and Hawaii, and insular possessions such as Puerto Rico that were not incorporated in the constitutional scheme.

Definitions of "State", "United States" and "citizen" in Part 31.3121(e)-1 in title 26 of the Code of Federal Regulations clearly prescribe geographical limits where the Social Security Act is applicable. These definitions demonstrate that the Social Security Act was applicable in Alaska and Hawaii while they were territories, but no longer applied when they were respectively admitted to the Union. It has never lawfully applied to States of the Union admitted prior to 1935.

While in the grips of the thirties great depression, State officials were hell-bent on accommodating destruction of the American democratic republic and liberties attending the free enterprise system. At the January 1937 general conference of the Council of State Governments, delegates from a majority of our state legislatures endorsed the Declaration of Intergovernmental Dependence. The declaration formalized what was already a working arrangement. Elected and appointed state officials embraced the Federal dole system, and by setting up the infrastructure, provided a forum for state governing bodies to determine what Federal encroachment they would accommodate. The intergovernmental dependence declaration is published in Book 2, Volume 2 of The Book of the States.

Here are more relevant questions: Does the executive branch have legislative authority? Can the President unilaterally repeal law once Congress has formally enacted it?

Via Reorganization Plan 3 of 1940, Roosevelt reassigned duties of the Federal Alcohol Administration to BIR, thereby abolishing the agency Congress established by law in 1935, then via Reorganization Plan 26 of 1950, Truman abolished offices of internal revenue assessors and collectors that existed since 1862 legislation. But these draconian changes shouldn't adversely affect the American people at large: Since implementation of the Internal Revenue Code of 1954, there have been no Federal internal revenue districts in the several States. The Internal Revenue Code limits IRS assessment and collection activity to whatever revenue districts are established under authority of 26 U.S.C. ß 7621. A vast majority of Internal Revenue Code taxing authority is geographically limited to the District of Columbia and insular possessions of the United States, exclusive of States of the Union.

In 1998, I solved another mystery: Via Executive Order #10289, as amended, the President authorized the Secretary of the Treasury to establish revenue districts under authority of section 7621 of the Internal Revenue Code. Although section 7621 isn't listed in the Parallel Table of Authorities and Rules, E.O. #10289 is. The implementing regulation is Part 101 of title 19 of the Code of Federal Regulations. The regulation establishes customs collection offices in each State of the Union; it does not establish internal revenue districts. A note at Part 301.7621-1 of title 26 of the Code of Federal Regulations confirms that E.O. #10289 is the only authority for establishing revenue districts.

"So what are these people doing in Oklahoma and other States of the Union?" is an obvious question.

The Federal tax mystery is resolved to a certain extent by understanding that there is another application other than the geographical. That is, many of these reorganization plans, executive orders, etc. (executive legislation) are intragovernmental in nature. The application is to government agencies and personnel, not the general population. This is where Chapter 24 of the Internal Revenue Code contributes to understanding: Withholding from wages, salaries and tips is authorized for government agencies, not private enterprise. The Federal Reserve System board of governors and Federal Reserve regional banks collectively and individually serve as "fiscal agent" of United States Government. As if by magic, they launder "public money" (revenue and obligations of United States Government, commonly known as "credit") in such a fashion that the sleight of hand is more bizarre than the Federal tax system. But that goes beyond the scope of this article.

Beginning with the Louisiana Purchase in 1803, all territorial acquisitions until the Spanish-American War were incorporated into the constitutional scheme. Whether the territory was acquired by purchase, conquest or otherwise, it was destined to become a State of the Union, and inhabitants of the territory were extended full constitutional rights and benefits. But when the King of Spain ceded Puerto Rico and the Philippines, these insular possessions were not incorporated in the constitutional scheme. In the Insular Tax Cases (1900-1904), the Supreme Court determined that these and other insular possessions are "foreign" to the United States and the several States party to the Constitution, and they are more on the order of British crown colonies than traditional territories of the United States.

Here it is useful to understand that Congress has schizophrenic characters: Congress may exercise only constitutionally enumerated powers where States of the Union are concerned, but has plenary or near-absolute power over land belonging to the United States. Under Article I, Section 8 of the Constitution, Congress exercises restrictive power in the Union, but may do anything not specifically prohibited by the Constitution in territory belonging to the United States. Thus, where Puerto Rico, the Virgin Islands, Guam and American Samoa are concerned, and the new arrival, the Northern Mariana Islands, Congress does as Congress pleases.

Some time after 1908 and before 1918, nonconstitutional insular possessions of the United States entered a political

compact or alliance. The name of this alliance is the "United States of America", i.e., "Guam, U.S.A." on letterheads of the government of Guam. Cooper and Bentson tracked mutual assistance agreements among insular possessions that might provide a basis for this second "United States of America" confederation, but they didn't quite get to the meat of the matter.

When Timothy McCrory of Blackwell, Oklahoma and I first stumbled across evidence of this second United States of America in January 1997, the research community was plagued by myopia. States of the Union collectively are the United States of America. The possibility of there being a second United States of America was rejected by most researchers.

The Articles of Confederation in 1777 formally established the original United States of America, mentioned in the Preamble and Article II of the Constitution of the United States. But the Constitution creates and empowers a governmental entity designated and known as the United States. The only authority conferred to the United States of America, as a continuing public entity, is to elect the President and Vice President. When he takes his oath of office, the "President of the United States of America" becomes the "President of the United States". Article III, Section 1 of the Constitution establishes "The judicial Power of the United States," it doesn't vest authority in the United States of America, nor does it acknowledge the United States of America as a principal of interest.

Yet since approximately 1937, virtually all Federal civil actions and criminal prosecutions have been in the name and by authority of the "United States of America".

That isn't what law specifies. Section 3231 of title 18, the Criminal Code, section 1345 of title 28, the Civil Code, and section 7402 of the Internal Revenue Code, all specify that the "United States" is the proper principal of interest.

The only place we've found the "United States of America" as a principal of interest in the current edition of the United States Code is section 1001 of the Criminal Code, formerly 18 U.S.C. ß 80 in the 1940 edition. Under this section, presently titled "statements and entries generally," the United States of America can be a principal of interest where there is fraud against a corporation in which the United States of America is a stockholder.

Beginning with 1918 legislation, the "United States" and the "United States of America" both appeared in the section, where the United States of America was not present in the 1908 statute. In Historical and Statutory notes following the current 18 U.S.C. ß 1001, the reviser's note says the following about deletion of phrasing: "Words 'or any corporation in which the United States of America is a stockholder' in said ß 80 [1940 edition] were omitted as unnecessary in view of definition of 'agency' in ß 6 of this title."

By some quirk of tortured rationale, this come-lately United States of America is construed or defined as an "agency" of United States Government even though the U.S. Supreme Court judicially proclaimed that these constitutionally unincorporated insular possessions are "foreign" to the United States.

In the Interstate Agreement on Detainers Act, which most States of the Union have adopted, the "United States of America" is defined as a "State". The definition is at Article II(a), in Oklahoma Statutes, at section 1347 II(a) of title 22: "'State' shall mean a state of the United States; the United States of America; a territory or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico."

Where United States Government has subject matter jurisdiction by virtue of a constitutionally enumerated power, Federal agencies and courts have territorial jurisdiction, commonly known as venue, within States of the Union. In this context, then, the "United States of America" is a unique and separate "State" within the framework of the Interstate Agreement on Detainers Act. The United States of America doesn't have any more territorial jurisdiction in Oklahoma and Texas than Kansas does. If and when it has a criminal cause of action against someone located in one of the several States, it must apply for extradition just as one State must apply for extradition from another. Aside from being a political alliance, it is a geographical alliance. It is this entity, that magically appeared between 1908 and 1918, that is the primary vehicle used for Federal encroachment. As we will shortly verify, the Internal Revenue Service is an agency of this come-lately United States of America, it is not an agency of United States Government.

We've engaged this exercise to frame two conclusions: The Internal Revenue Service is successor of the Bureau of Internal Revenue, Puerto Rico, and does not have lawful authority in States of the Union; and the United States of America is a political and geographical alliance foreign to the United States and States of the Union. We now have the stage set for our attorneys.

Diversified Metal Products, Inc. of Idaho received an Internal Revenue Service notice of levy for money the company allegedly owed to Steve Morgan. The notice was challenged, so rather than get caught in the middle, Diversified Metal's attorney, John M. Ohman, filed an impleader action in the District Court of the Seventh Judicial District of Idaho, in the Booneville County Magistrate Court (Case #CV93-4117). The disputed money was deposited with the court. Diversified Metal filed the impleader action to resolve the dispute between T-Bow Company Trust, the Internal Revenue Service, and Steve Morgan. The purpose of the litigation was to determine proper ownership of the money without Diversified Metal having liability exposure to IRS or Morgan.

In the complaint, Ohman set out statements of what he believed to be fact. Averment #4 is as follows: "Defendant Internal Revenue Service (IRS) is an agency of the United States government which has presented to Plaintiff a lien [actually, a notice of levy] against monies to which Steve Morgan, or presumably Defendant T-Bow Company Trust for him, may be entitled."

The United States Attorney for the district, Betty H. Richardson, answered on behalf of the Internal Revenue Service. In her response to Ohman's #4 averment, she made the following corrections: "Denies that the Internal Revenue Service is an agency of the United States Government but admits that the United States of America would be a proper party to this action÷"

The Internal Revenue Service is not an agency of United States Government, but the United States of America would be a proper party to the action? Richardson was in a corner where she had to confess what Cooper, Bentson, and numerous other people have proven half a dozen different ways: Congress did not legislatively create a Bureau of Internal Revenue and the Philippines gained independence in 1946. That leaves only the Bureau of Internal Revenue, Puerto Rico as a legislatively created governmental entity. The Internal Revenue Service is successor by name change to BIR, Puerto Rico.

If the Internal Revenue Service is not an agency of United States Government, the United States obviously wouldn't be the principal of interest. Davidson glossed over her presentation, but she told the truth. The Internal Revenue Service operates as an agent of this come-lately geographical and political alliance know as the United States of America, Puerto Rico being a party to the compact.

On December 18, 1998, attorney Michael Bufkin of Dundee, Illinois sent a Freedom of Information Act request to the Internal Revenue Service asking for documentation of authority for the Department of Justice to defend IRS personnel in civil litigation and/or criminal prosecution. On August 2, 1999, Leslie Hayward, a Disclosure Program Assistant in the IRS national office, answered Bufkin as follows: "A search was performed with the Office of Tax Crimes (Criminal Investigation) and with the Assistant Chief Counsel (Disclosure Litigation) and we have no documents responsive to your request. However, you may forward a copy of your request to the U.S. Attorney General's Office within the Department of Justice."

In September, Bufkin sent the request to the Department of Justice, then on January 11, 2000, Thomas J. McIntyre, Chief of the Department of Justice Freedom of Information/Privacy Act Unit, made the following response: "We have conducted a search of the appropriate indices to Criminal Division records and did not locate any records responsive to your request."

In other words, Internal Revenue Service personnel constitute an endangered species. It might be necessary to roll them in sand to reduce the slime factor, but once you get hold well enough to usher them to jail or sue them in civil court, the Department of Justice and U.S. Attorneys have to watch from a respectful distance. IRS personnel are agents of a government foreign to the United States, and they do not have lawful access to government-funded defense when the Federalism scheme finally comes down around their ears. They are quite literally agents of a foreign government invading the several States of the Union.

What happens when the chickens come home to roost? In 1995, Cooper and Bentson followed fraudulently collected American tax dollars through the Agency for International Development to projects such as funding the Kava River tank and military truck factory in Russia. The factory, which has more space under roof than all American auto factories combined, was built during the latter Cold War period before the Soviet Union was dissolved. As the research community documents and eventually exposes these kinds of projects illicitly funded with American tax money, entrenched powers behind the Federalism scheme will have to account to an irate public.

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Internal Revenue Service/Internal Revenue Code Investigative Report

By William Cooper
CAJI News Service - Exclusive

"The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;" The Constitution for the united States of America, Article 1, Section 8, paragraph 1.

"No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumera-

tion hereinbefore directed to be taken." The Constitution for the united States of America, Article 1, Section 9, paragraph 4.

CAJI Investigation

Investigation of the alleged Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms has disclosed a broad, premeditated conspiracy to defraud the Citizens of the united States of America. Examination of the United States Code, the Code of Federal Regulations, the Statutes at Large, Congressional Record, the Federal Register, and Internal Revenue manuals too numerous to list reveals a crime of such magnitude that words cannot adequately describe the betrayal of the American people. What we uncovered has clearly been designed to circumvent the limitations of the Constitution for the united States of America and implement the Communist Manifesto within the 50 States. Marx and Engles claimed that in the effort to create a classless society, a "graduated income tax" could be used as a weapon to destroy the middle class.

The Art of Illusion

Magic is the art of illusion. Those who practice magic are called magi. They have created a web of obfuscation and confusion in the law. When the courts have ruled them unconstitutional or unlawful they merely stepped outside jurisdiction and venue. By fooling the people they continued the crime. These Magicians have convinced Americans that we have a status we do not. We are led to believe we must do things that are not required. Through the clever use of language the government promotes the fraud.

Not Created by Congress

The Bureau of Internal Revenue, and the alleged Internal Revenue Service were not created by Congress. These are not organizations or agencies of the Department of the Treasury or of the federal government. They appear to be operated through pure trusts administered by the Secretary of the Treasury (the Trustee). The Settler of the trusts and the Beneficiary or Beneficiaries are unknown. According to the law governing trusts the information does not have to be revealed.

Not Found in 31 USC

The organization of the Department of the Treasury can be found in 31 United States Code, Chapter 3, beginning on page 7. You will not find the Bureau of Internal Revenue, the Internal Revenue Service, the Secret Service, or the Bureau of Alcohol Tobacco and Firearms listed. We learned that the Bureau of Internal Revenue, Internal Revenue, internal revenue, Internal Revenue Service, the Federal Alcohol Administration, Director Alcohol Tobacco and Firearms are one organization. We found this obfuscated.

Constructive Fraud

The investigation found, that except for the very few who are engaged in specific activities, the Citizens of the 50 States of the united States of America have never been required to file or to pay "income taxes." The Federal government is engaged in constructive fraud on a massive scale. Americans who have been frightened into filing and paying "income taxes" have been robbed of their money. Millions of lives have been ruined. Hundreds of thousands of innocent people have been imprisoned on the pretense they violated laws that do not exist. Some have been driven to suicide. Marriage have been destroyed., Property has been confiscated to pay . . . . .

Lincoln's War Tax

During the Civil war Abraham Lincoln imposed a war tax upon the citizens. The War tax lawfully applied only to those citizens who resided within the federal District of Columbia and the federally owned territories, dockyards, naval bases, or forts, and those who were considered to be in rebellion against the Union. Many Citizens of the several States volunteered to pay. After the war the tax was repealed. This left the impression that the President and Congress could levy an unapportioned direct tax upon the Citizens of the several States, when, in fact, no such tax had ever been imposed. The Tax was not fraud as nothing was done to deceive the people. Those who were deceived, in fact, deceived themselves.

Philippine Trust #1

In the last century the United States acquired by conquest the territory of the Philippine Islands, Guam, and Puerto Rico. The Philippine Customs Administrative Act was passed by the Philippine Commission during the period from Sept. 1, 1900 a 31, 1902, to regulate trade with foreign countries and to create revenue in the form of duties, imposts, and excises. The Act crated the federal government's first trust fund called Trust fund #1, the Philippine special fund (customs duties), 31 USC, Section 1321. The Act was administered under the general Supervision and control of the Secretary of Finance and Justice.

Philippine Trust #2
Bureau of Internal Revenue

The Philippine Commission passed another act known as The Internal Revenue Law of Nineteen Hundred and Four. This Act created the Bureau of Internal Revenue and the federal government's second trust fund called Trust fund #2, the Philippine special fund (internal revenue), 31 USC, Section 1321. In the Act, Article I, Section 2, we find, "There shall be established a Bureau of Internal Revenue, the chief officer of which Bureau shall be known as the Collector of Internal Revenue. He shall be appointed by the Civil Governor, with the advice and consent of the Philippine Commission, and shall receive a salary at the rate of eight thousand pesos per annum. The Bureau of Internal Revenue shall belong to the department of Finance and Justice."

And in Section 3, we find,

"The Collector of Internal Revenue, under the direction of the Secretary of Finance and Justice, shall have general superintendence of the assessment and collection of all taxes and excises imposed by this Act or by any Act amendatory thereof, and shall perform such other duties as may be required by law."

Customs & BIR Merged

It is clear that the Customs Administrative Act was to fall within the jurisdiction of the Bureau of Internal Revenue which bureau was to be responsible for "all taxes and excises imposed by this Act," which clearly included import and export excise taxes. This effectively merged Customs and Internal Revenue in the Philippines.

Demon Alcohol

When Prohibition was ratified in 1919 with the 18th Amendment, the government created federal bureaucracies to enforce the outlaw of alcohol. As protest and resistance to prohibition increased so did new federal laws and the number of bureaucrats hired to enforce them. After much bloodshed and public anger prohibition was repealed with the 21st Amendment which was ratified in 1933.

Federal Alcohol Act

In 1933 President Roosevelt declared a “banking Emergency.” The Congress gave the President dictatorial powers under the “War Powers Act of 1917.” Congress used the economic emergency as the excuse to give blanket approval to any and all Presidential executive orders. Roosevelt, with a little help from his socialist friends, was prolific in his production of new legislation and executive orders. In 1935 the Public Administration Clearinghouse wrote, and Roosevelt introduced, The Federal Alcohol Act. Congress passed it into law. The Act established The Federal Alcohol Administration. That same year the Supreme Court, in a monumental ruling, struck down the act among many others on a long list of draconian and New Deal laws. The Federal Alcohol Administration did not go away; it became involved in other affairs, placed in a sort of standby status.

Internal Revenue (Puerto Rico)

At some unknown date prior to 1940 another Bureau of Internal Revenue was established in Puerto Rico. The 62nd trust fund was created and named Trust fund #62 Puerto Rico special fund (Internal Revenue). Note that the Puerto Rico special fund has Internal Revenue, capital “I” & “R”. The Philippine special fund (internal revenue) is in lower case letters. Between 1904 and 1938 the China Trade Act was passed to deal with opium, cocaine and citric wines shipped out of China. It appears to have been administered in the Philippines by the Bureau of Internal Revenue.

China Trade Act

We studied a copy of The Code of Federal Regulations of the United States of America in Force June 1, 1938, Title 26 - Internal Revenue, Chapter I - (Parts 1-137). On page 65 it makes reference to the China Trade Act, where we find the first use of such terms as: income, credits, withholding, Assessment and Collection of Deficiencies, extension of time for payment, and failure to file return. The entire substance of Title 26 deals with foreign individuals, foreign corporations, foreign insurance corporations, foreign ships, income from sources within possessions of United States, Citizens of the United States and domestic corporations deriving income from sources within a possession of the United States, and China Trade Act Corporations.

Narcotics, Alcohol, Tobacco, Firearms

All of the taxes covered by these laws concerned the imposts, excise taxes and duties to be collected by the Bureau of Internal Revenue for such items as narcotics, alcohol, tobacco, and firearms. The alleged Internal Revenue Service likes to make a big do about the fact that Al Capone was jailed for tax evasion. The IRS will not tell you that the tax Capone evaded was not “income tax: as we know it, but the tax due on the income from the alcohol which he had imported from Canada. If he had paid the tax he would not have been convicted. The Internal Revenue Act of 1939 was clearly concerned with all taxes, imposts, excises and duties collected on trade between the possessions and territories of the United States and foreign individuals, foreign corporations, or foreign governments. The income tax laws have always applied only to the Philippines, Puerto Rico, District of Columbia, Virgin Islands, Guam, Northern Mariana Islands, territories and insular possessions.

FAA becomes BIR

Under the Reorganization Plan Number 3 of 1940 which appears at 5 United States Code Service, Section 903, the Federal Alcohol Administration and offices of members and Administrator thereof were abolished and their functions directed to be administered under direction and supervision of Secretary of Treasury through Bureau of Internal Revenue. We found this history in all of the older editions of 27 USCS, Section 201. It has been removed from current editions. Only two Bureaus of Internal Revenue have ever existed. One in the Philippines and another in Puerto Rico. Events that have transpired tell us that the Federal Alcohol Administration was absorbed

by the Puerto Rico Trust #62 (Internal Revenue).

Victory Tax Act

World War II was a golden opportunity. Americans were willing to sacrifice almost anything if they thought that sacrifice would win the war. In that atmosphere Congress passed the Victory Tax Act. It mandated an income tax for the years 1943 and 1944 to be filed and paid in the years 1944 and 1945. The Victory Tax Act automatically expired at the end of 1944. The federal government, with the clever use of language, created the myth that the tax was applicable to all Americans. Because of their desire to win the war Americans filed and paid the tax. Because of ignorance of the law Americans filed and paid the tax. The government promoted the fraud and threatened those who objected. Americans forgot that the law expired in 2 years. When the date had come and gone, they continued to keep "records"; they continued to file; and they continued to pay the tax. The federal government continued to print returns and collect the tax. Never mind the fact that no Citizen of any of the several States of the Union was ever liable to pay the tax in the first place.

Federal Power Limited

The fiction, "that because it was an excise tax, it was legal," is not true. The power of the federal government is limited to its own property as stated in Article 1, Section 8, paragraph 17, and to "regulate Commerce with foreign Nations, and among the several States, and with the Indian tribes;" as stated in Article 1, Section 8, paragraph 3. 18 USC, Section 921, Definitions, states, "The term 'interstate or foreign commerce' includes commerce between any place in a State and any place outside that State, or within any possession of the United States (not including the Canal Zone)." Only employees of the federal government, residents of the District of Columbia, residents of naval bases, residents of forts, U.S. Citizens of the Virgin Islands, Puerto Rico, territories, and insular possessions were lawfully required to file and pay the Victory Tax.

BIR becomes IRS

In 1953 the United States relinquished its control over the Philippines. Why do the Philippine pure Trusts #1 (customs duties) and #2 (internal revenue) continue to be administered today? Who are the Settlers of the Trusts? What is done with the funds in the Trusts? What businesses, if any, do these Trusts operate? Who are the Beneficiaries? Coincidentally on July 9, 1953 the Secretary of the Treasury, G. M. Humphrey, by "virtue of the authority vested in me," changed the name of the Bureau of the Internal Revenue, BIR, to Internal Revenue Service when he signed what is now Treasury Order 150-06. This was an obvious attempt to legitimize the Bureau of Internal Revenue. Without the approval of Congress or the President, Humphrey, without any legal authority, tried to turn a pure trust into an agency of the Department of the Treasury. His actions were illegal, but went unchallenged. Did he change the name of the BIR in Puerto Rico or the BIR in the Philippines? We cannot find the answer.

Mutual Security Act

In 1954 the United States and Guam became partners under the Mutual Security Act. The Act and other documents make reference to the definition of Guam and the United States as being mutually interchangeable. In the same year the Internal Revenue Code of 1954 was passed. The Code provides for the United States and Guam to coordinate the "Individual Income Tax". Pertinent information on the tax issue may be found in 26 CFR 301.7654-1: Coordination of U.S. and Guam Individual income taxes, 26 CFR 7654-1(e): Military personnel in Guam, 48 USC Section 1421I: "Income-tax laws" defined. The Constitution forbids unapportioned direct taxes upon the Citizens of the several States of the 50 States of the Union; therefore the federal government must trick (defraud) people into volunteering to pay taxes as "U.S. citizens" of either Guam, the Virgin Islands, or Puerto Rico. It sounds insane, and it is, but it is absolutely true.

BATF from IRS

On June 6, 1972 Acting Secretary of the Treasury Charles E. Walker signed Treasury Order Number 120-01 which established the Bureau of Alcohol, Tobacco and Firearms. He did this with the stroke of his pen citing "by virtue of the authority vested in me as Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950.: He order [states] the

"...transfer, as specified herein, the functions, powers and duties of the Internal Revenue Service arising under laws relating to alcohol, tobacco, firearms, and explosives (including the Alcohol, Tobacco and Firearms Division of the Internal Revenue Service) to the Bureau of Alcohol, Tobacco and Firearms (hereinafter referred to as the Bureau) which is hereby established. The Bureau shall be headed by the Director, Alcohol, Tobacco and Firearms (hereinafter referred to as the Director). the Director shall perform his duties under the general direction of the Secretary of the Treasury (hereinafter referred to as the Secretary) and under the supervision of the Assistant Secretary (Enforcement, Tariff and Trade Affairs, and Operations) (hereinafter referred to as the Assistant Secretary)." [my insertrion, Dan]

BATF = IRS

Treasury Order 120-01 assigned to the new BATF Chapter 51, 52 and 53 of the Internal Revenue Code of 1954 and sections 7652 and 7653 of such code, chapters 61 through 80 inclusive of the Internal Revenue Code of 1954, the Federal Alcohol Administration Act (27 USC Chapter 8) (which, in 1935, the Supreme Court had declared unconstitutional within the several States of the Union,) 18 USC Chapter 44, Title VII Omnibus Crime Control and Safe Streets Act of 1968 (18 USC Appendix, sections 1201-1203, 18 USC 1262-1265, 1952 and 3615, and etc. Mr. Walker then makes a statement within TO 120-01 that is very revealing.

"The terms 'Director, Alcohol, Tobacco and Firearms Division' and 'Commissioner of Internal Revenue' wherever used in regulations, rules, and instructions, and forms, issued or adopted for the administration and enforcement of the laws specified in paragraph 2 hereof, which are in effect or in use on the effective date of this Order, shall be held to mean 'the Director'". Walker seemed to branch the Internal Revenue Service (IRS), creating the Bureau of Alcohol, Tobacco, and Firearms (BATF), and then with that statement joined them back together into one. In the Federal Register, Volume 41, Number 180, of Wednesday, September 15, 1976 we find, "The term 'Director, Alcohol, Tobacco and Firearms Division' has been replaced by the term 'Internal Revenue Service."

We found this pattern of deception and obfuscation everywhere we looked during our investigation. For further evidence of the fact that the IRS and the BATF are one and the same organization check 27 USCA Section 201.

The Gift of the Magi

This is how the Magi perform magic. Secretary Humphrey, with no authority, creates an agency of the Department of the Treasury called "Internal Revenue Service", out of the air, from an offshore pure trust called "Bureau of Internal Revenue .....and beneficiaries" of the trust are unknown. The "Trustee" is the Secretary of the Treasury. Acting Secretary Walker further launders the trust by creating, from the alleged "Internal Revenue Service," the "Bureau of Alcohol, Tobacco, and Firearms."

Person Becomes Thing

Unlike Humphrey, however, Walker assuaged himself of any guilt when he nullified the order by proclaiming, "The terms 'Director, Alcohol, Tobacco and Firearms Division' and 'Commission-

er of Internal Revenue' wherever used in regulations, rules, and instructions, and forms, issued or adopted for the administration and enforcement of the laws specified in paragraph 2 hereof, which are in effect or in use on the effective date of this Order, shall be held to mean 'the Director'." Walker created the Bureau of Alcohol, Tobacco, and Firearms from the Alcohol, Tobacco and Firearms Division of Humphrey's Internal Revenue Service. He then says, that what was transferred, is the same entity as the Commissioner of Internal Revenue. He knew he could not legally create something from nothing without the authority of Congress and/or the President, so he made it look like he did something that he had, in fact, not done. To compound the fraud the Federal Register published the unbelievable assertion that a person had been replaced with a thing; "the term Director Alcohol, Tobacco, and Firearms Division has been replaced with the term Internal Revenue Service."

Stroke of Genius

The Federal Alcohol Administration. which administered the Federal Alcohol Act, and offices of members and Administrator thereof were abolished and their functions were directed to be administered under direction and supervision of Secretary of Treasury through Bureau of Internal Revenue, now Internal Revenue Service. The Federal Alcohol Act was ruled unconstitutional within the 50 States so was transferred to the BIR which is an offshore trust, which became the IRS, which gave birth to the BATF and somehow, the term Director, Alcohol, Tobacco, and Firearms Division, which is a person within the BATF, spawned the alleged Internal Revenue Service via another flick of the pen on September 15, 1976. In a brilliant flash of logic Wayne C. Bentson determined that he could check these facts by filing a freedom of information act request asking the BATF to "name the person who now administers the Federal Alcohol Act." If we were wrong a reply stating that no record exists as to any name of any person who administers the Act. The request was submitted to the BATF. The reply came on July 14, 1994, from the Secret Service, an unexpected source, which discloses a connection we had not suspected. The reply states that John Magaw of the Bureau of Alcohol, Tobacco, and Firearms, of the Department of the Treasury administers the Federal Alcohol Act. You may remember from the Waco hearings that John Magaw is the Director Alcohol, Tobacco, and Firearms. All of our research was confirmed by that admission.

Smoke and Mirrors

Despite all the pen flicking and the smoke and mirrors, there is no such organization of the Department of the Treasury known as "Internal Revenue Service" or the "Bureau of Alcohol, Tobacco, and Firearms." 31 USC is 'Money and Finance' and therein are published the laws pertaining to the Department of the Treasury (DOT). 31 USC, Chapter 3 is a statutory list of the organizations of the DOT. Internal Revenue Service and/or Bureau of Alcohol, Tobacco, and Firearms are not listed within 31 USC as agencies or organizations of the Department of the Treasury. They are referenced, however, as, "to be audited" by the Controller General in 31 USC Section 713.

BATF - Puerto Rico

We have already demonstrated that both of these organizations are in reality the same organization. Where we find one we will surely find the other. In 27 CFR, Chapter 1, Section 250.11, definitions we find, "United States Bureau of Alcohol, Tobacco and Firearms office. The Bureau of Alcohol, Tobacco and Firearms office. The Bureau of Alcohol, Tobacco and Firearms office. The Bureau of Alcohol Tobacco and Firearms office in Puerto Rico ...," and "Secretary - The Secretary of the Treasury of Puerto Rico." and "Revenue Agent - Any duly authorized Commonwealth Internal Revenue Agent of the epartment of the Treasury of Puerto Rico." Remember that 'Internal Revenue' is the name of the Puerto Rico Trust #62. It is perfectly logical and reasonable that a Revenue Agent works as an employee for the Department of the Treasury of the Commonwealth of Puerto Rico.

Where is IRS?

Where is the alleged “Internal Revenue Service”? The Internal Revenue Code of 1939, a.k.a. Internal Revenue Code of 1954, etc., etc., etc. 27 CFR refers to Title 26 as relevant to Title 27, as per 27 CFR, Chapter 1, Section 250.30, which states that 26 USC 5001(a)(1) is governing a 27 USC law. In fact 26 USC Chapters 51, 52, and 53 are the alcohol, tobacco and firearms taxes, administered by the Internal Revenue Service; alias Bureau of Internal Revenue; alias Virgin Islands Bureau of Internal Revenue; alias Director, Alcohol, Tobacco and Firearms Division; alias Internal Revenue Service.

Must be Noticed

According to 26 CFR Section 1.6001-1(d), Records, no one is required to keep records or file returns unless specifically notified by the district director by notice served upon him, to make such returns, render such statements, or keep such specific records as will enable the district director to determine whether or not such person is liable for tax under subtitle A of the Code. 26 CFR states that this rule includes State individual income taxes. Don’t get yourself all lathered up because State means, ... the District of Columbia, U.S. Virgin Islands, Guam, Northern Mariana Islands, Puerto Rico, territories, and insular possessions.

No Implementation of Law

44 USC says that every regulation or rule must be published in the Federal Register. It also states that every regulation or rule must be approved by the Secretary of the Treasury. If there is no regulation there is no implementation of the law. There is no regulation governing “failure to file a return.” There is no computer code for “failure to file.” The only thing we could find was a requirement stating “where to file” an income tax return. It can be found in 26 CFR, Section 1.6091-3, which states that, “Income tax returns required to be filed with Director of International Operations.” Who is the Director of International Operations?

Delegation of Authority

No one in government is allowed to do anything unless they have been given specific written authority in the law or someone who has been given authority in the law gives that person a delegation of authority order, spelling out exactly what they can and cannot do under that specific order. We combed the Department of the Treasury’s Handbook of Delegation Orders and we found that no one in the IRS or BATF has any authority to do most of the things they have been doing for years.

No Authority to Audit

Delegation Order Number 115 (Rev. 5), of May 12, 1986 is the only delegation of authority to conduct Audit. It states that the IRS and BATF can only audit themselves and only for amounts of $750 or less. Any amount above that amount must be audited by the Controller General according to Title 31 USC. No other authority to audit exists. No IRS or BATF agent, or representative can furnish us with any law, rule, or regulation which gives them the authority to audit anyone other than themselves. Order Number 191 states that they can levy on Property but only if that Property is in the hands of third parties.

Authority to Investigate

The manual states on page 1100-40.2, of April 21, 1989, Criminal Investigation Division, that “the Criminal Investigation Division enforces the criminal statutes applicable to income, estate, gift, employment, and excise tax laws ... involving United States citizens residing in foreign