

## Lein and Levy Kit – Recorded by Irwin Schiff

You have contacted me because, presumably, the IRS is attempting to seize your property or is sending you notices to that effect or has indeed sent what is known as Notice of Levy to your bank or to your employer.

First of all, let me assure you that there is no law that allows the IRS to seize anything or to even audit you or to disallow deductions. In essence, the IRS is given absolutely no authority to do anything with respect to income taxes. As a matter of fact, we get to Section 7608, the IRS is even barred from being involved with income tax.

So the first thing you have to understand if the IRS is threatening to seize your property or is in the midst of seizing your property, everything they do is illegal. It's not for no reason my book, "The Federal Mafia: How the Government is Illegally Imposing and Collecting Taxes and How Americans Can Fight Back" has been, the government has enjoined me from selling. Now if you don't have a copy of that book, I can no longer sell it to you but you can get the book by going to the internet and doing a search on "The Federal Mafia" and a number of sources will pop up, some sources selling second hand copies of my book or older versions. You want to get a copy of my book, the latest version is 2003 and the biggest chapter in my book is entitled "How the IRS Illegally Seizes Property and How to Fight Back." or "How the Federal Mafia Seizes Property" rather.

Now for those of you who have the Internal Revenue Code, and if you don't have the Internal Revenue Code then we're going to include in this package some important Code Sections.

Now the first section I'm including in this package is Section 6331, if you don't have a copy of the Code, which I recommend you get in any case. And if you'll notice, all IRS seizures are done pursuant to Section 6331; and let me read what it says:

"AUTHORITY OF SECRETARY

IF ANY PERSON LIABLE TO PAY ANY TAX NEGLECTS OR REFUSES TO DO SO WITHIN TEN DAYS AFTER NOTICE AND DEMAND..."

Now that one sentence gives you three reasons why the IRS has no authority to seize anything, especially with respect to income tax. First of all you'll notice, all authority is given to the Secretary. The Income Tax is imposed in Subtitle A,. There is absolutely no mention of the IRS in Subtitle A. As a matter of fact, the IRS is not even mentioned in the Internal Revenue Code until sometime in to Section 6000, Subtitle F. So the only authority given in the Code to enforce the income tax is given to the Secretary and that means the Secretary of the Treasury. Now if you go to my website, you'll see one of my latest motions I pointed out that the court had no jurisdiction to prosecute me for a conspiracy to interfere with the IRS collection of taxes because the IRS has no authority to collect taxes because as I just pointed out, all such authority is given to the Secretary. However the Secretary is given the authority, under Section 7701 Subsection 11 to delegate to another government agency or some other party his authority to collect income taxes. However, before the public could be notified of any such Delegation of Authority, the Secretary would have to publish such a Delegation of Authority in the Federal Register. Otherwise how would the public know that he delegated such authority?

So two documents would have to exist before the IRS could have any authority to collect income taxes. There would have to be a Delegation of Authority from the Secretary to the Commissioner of Internal Revenue pursuant to Section 7701 and proof that such a Delegation of Authority was published in the Federal Register pursuant to Section 1505 in Title 44. Now as you can see from my motion and the government's response, the government cannot produce either of these documents, proving that the IRS has no authority to collect income taxes, and you can use that fact in addition to what I'm going to be pointing out to you now.

So that is proof that the IRS has absolutely no authority to seize your property or to do anything with respect to income tax.

Now going back to Section 6631 again, you'll notice it says: "Any person liable to pay any tax" Now for those of you who have an Internal Revenue Code you can actually go to the index and under "Liability" you will see no entry for 'Income Tax,' although that index entry will show liability for tobacco taxes, alcohol, wagering taxes, and a variety of other federal taxes.

Another way you can prove that you have no liability for income tax is if you go to index entries for individual taxes, like tobacco taxes, firearms taxes, liquor taxes, and you will see entries there for payment of tax, liability, penalties. You will see no such entry in the income tax section of the index. or such things as 'liability,' 'payment,' or 'penalties,' or even for the keeping of books and records, as you will see such an entry with respect to other federal taxes.

As a matter of fact, there is an index entry just for "Books and Records" and if you go down the list a number of federal taxes for which you are obviously required to keep books and records and income tax is not listed and for those of you who have copies of the Internal Revenue Code that I sell, you'll notice all the blue tabs specifically show entries for the keeping of books and records with respect to wagering taxes, tobacco taxes, firearms, but there is no blue tab, there is no entry for keeping books and records for income tax and this is the one issue that absolutely proves that there is no law requiring you to pay income taxes because if there were a law requiring you to pay income taxes there would be a law requiring you to keep books and records so the government could make you prove that the amount of income taxes that you pay is the correct amount by having you produce books and records, but since there is no law requiring you to keep books and records there is obviously no law requiring you to pay income taxes.

That will give you a rough idea of how honest those law professors are in the Yale and Harvard Law Schools who teach their students that there is a law requiring you to pay income taxes. Because what I told you could convince anybody that there is no law requiring anybody to pay income tax. Yet college professors in some of our most prestigious law schools teach that you have to pay income taxes which show you that the legal profession probably is a total fraud from top to bottom.

Also, Section 6331 states that they can only seize such property 10 days after Notice and Demand for Payment.

Now the IRS never sends out a Notice and Demand for Payment. This will be very important further on.

A Notice and Demand for Payment is a Form #17 which is shown on page 99 of "The Federal Mafia" and the Treasury Decision that identifies that document as a Notice and Demand is Treasury Decision 1995 as shown on page 102 of "The Federal Mafia" and we have those pages of course in the material that we've enclosed for you.

Now I will also point out, if you look at the first paragraph of Section 6331, you'll see that the only mention of a Notice of Levy is in this paragraph (a) and it says:

LEVY MAY BE MADE UPON THE ACCRUED SALARY OR WAGES OF ANY OFFICER, EMPLOYEE, OR ELECTED OFFICIAL OF THE UNITED STATES...

And it continues

BY SERVING A NOTICE OF LEVY ON THE EMPLOYER

And the 'employer' is the United States itself.

So a Notice of Levy was a document created to attach the wages and salary of its own employees. You'll notice it says 'Levy may be made upon the accrued salary or wages of any officer or elected official'

So this Notice of Levy only applies to the accrued salary or wages of a government employee. Now why only to his salary or wages? Well, if you'll notice the next paragraph, (b) it talks about levies are the power of seizure by any means.

A levy means to seize. Obviously the federal government cannot seize property already in its possession. So one of its employees could owe the government, not an income tax, but he could owe the government taxes that he withheld from his previous employees

when he went out of business and took a job for the government, so he still owed the government withholding taxes which you could legally owe the government, he might have had a winery that went out of business and he might have owed the government wine taxes....

And the government might want to apply a portion of his wages to the taxes that they claim he owes the government, so the government takes a portion of his wages out of his paycheck and puts in a little slip saying that 'we have applied a portion of your wages to the taxes you owed us.'

Now that's the only situation in which the Notice of Levy could be used, however what the government, your honest government - organized crime starts with the federal government, really folks, you'll see why.

So the federal government has taken a document that is to be used only against the accrued wages and salary of its own employees and uses that document to seize bank accounts, insurance proceeds, entire stock portfolios from the public, from brokerage firms, banks, employees, and they use that document illegally and we'll show you how they seek to get away with it.

So the first thing I want to assure you is whatever the government does in attempting to seize your property, they do so illegally.

However, now, for those of you who filed no tax return whatsoever, or for those of you who filed a zero return, let me explain that by not saying you owe a tax on a return or by not filing anything you fall totally outside the provisions of the Code. For those of you who have not filed a tax return at all, then if the government wanted to collect taxes from you, they have to sue you. If you have a Code turn to Section 6501 c 3 and you'll see it says that if a person has not filed what the government is supposed to do is sue them for the money. Or if you filed a fraudulent return, which the government could claim a zero return might be, the government also has to sue you.

Now an important section for you to be aware of is Section 6201 of the Internal Revenue Code, and this Section is shown on page 61.

Now the Internal Revenue Code is thousands and thousands of pages of regulations and people say it's true, it's very complicated. However, on page 61, if you look at Section 6201 Subparagraph (a) (1) you could put the entire Internal Revenue Code condensed in those three lines. And I want to cover them quickly because I want to get to the question of seizures. It says:

THE SECRETARY SHALL ASSESS ALL TAXES DETERMINED BY THE TAXPAYER OR THE SECRETARY AS TO WHICH RETURNS OR LISTS ARE MADE UNDER THIS TITLE

Now those three lines say three things that not one American in 10,000 understands. First of all it says THE SECRETARY shall assess all taxes.

Again, no mention of the IRS, but then it says DETERMINED BY THE TAXPAYER. So if you determine that you owe nothing, you're authorized to do it. If you determine that you owe \$1000, that's what you're allowed to do under the law. And whatever you determine, the IRS is given no authority to make a different determination. Presumably the Secretary can make a determination, if you have it, but if he does that, the next paragraph indicates how he's supposed to do it. It says:

"AS TO WHICH RETURNS OR LISTS ARE MADE UNDER THIS TITLE"

So there has to be a return, either a return prepared by you or one prepared by the Secretary. Now the Secretary never prepares a tax return. If you don't file a return, or even a zero return, what the government does is claim that they prepared a dummy or substitute return or dummy return, and examples of such dummy returns are shown on page 56.

Now if you ask the IRS pursuant to what Code Section they prepared those dummy returns, they will say Section 6020 (b), and you'll see on the bottom of page 57 a notice the IRS sends out and you'll see midway through that notice that they claim 'we have prepared a return for you

based on Section 6020 (b)" However, you'll see what kind of a lie that is. If you go to Section 6020 (b) shown on page 47 of "The Federal Mafia" it says:

**AUTHORITY OF THE SECRETARY TO EXECUTE RETURNS**  
(again, notice "The Secretary") And sub-paragraph 2 says 'ANY RETURNS SO MADE AND SUBSCRIBED BY THE SECRETARY SHALL BE PRIMA FACIE GOOD AND SUFFICIENT FOR ALL LEGAL PURPOSES.

So any return prepared under Section 6020b will have to be signed by the Secretary or at least by his delegate and you'll notice from those dummy returns there is absolutely no signature so they're not good for any legal purposes. And also, if the government, if the Secretary makes a return he's supposed to have information on it, from such information as he can obtain. You'll notice that those dummy returns contain no information at all. So why did the government prepare them? I'll explain that also.

If you turn to page 77 in 'The Federal Mafia' you'll see that are called 4340's and they're supposed to be a summary of the assessments and payment that you might have made. Now I'll analyze one in the upper right hand on page 77 C. And that was for the taxable year 1976. You'll notice it says "Return Filed." Now I didn't file any tax return for that year and I got this certificate while I was suing the government for a refund and I got this through Discovery. So when I asked them for a copy of my assessment or payments this is what they sent me. Now when I saw 'return filed' I knew I hadn't filed a return so when I asked to see copies of the returns that they claimed that I filed, that's when they provided me with the dummy returns. Now you'll notice an assessment, 'zero.' This is important for you to understand.

Why would the government go through the trouble of assessing zero? Zero means you owe nothing. Why would the government go through the trouble of officially recording that I owe nothing? Incidentally such an entry is illegal, because you'll notice from Section 6203, shown on page 61, it says **THE ASSESSMENT SHALL BE MADE BY RECORDING TH LIABILITY.** A zero is an absence of a

liability. So why would the government go through the trouble of reporting an absence of a liability?

What the government did on 11/9/82 officially record I owed nothing. Does the IRS go to the hospital, the hospitals, and get the list of newborn babies who also owe nothing and assess zeros against them? No.

The reason for that is this: The IRS has a master computer and that master computer is programmed correctly;. The master computer knows that it cannot open up what is known as a tax module unless you filed a return. So what the IRS does is fool its computer by punching in the fact that return was filed - of course the 'return' was that dummy that I just showed you, for which no statute makes any provision.

Then the IRS master computer won't move forward unless it's told that an assessment was made because there has to be a tax shown on your tax return. So your honest government types into the computer two zeros meaning that there was a zero assessment and the master computer can't tell the difference between two zeros and a thousand or two thousand so the computer thinks that an assessment from an amount shown on your return was made.

Now the next entry shows additional tax of nineteen thousand. That's not an additional tax, that's the original tax. Now there's absolutely no authority, as I pointed out, in the Internal Revenue Code for the government to assess an original tax if it was not shown on your return.

So what they do is , the government sends out, you might have experienced a Deficiency Notice claiming there is a deficiency even if you filed no return or a zero return. Now that deficiency was not a deficiency but a total tax. So what the government goes about doing is illegally assessing and attempting to collect a total tax which it has no authority to determine in the guise of having assessed a deficiency.

TO BE CONTINUED (End of Tape 1 Transcription)

Now 'deficiency' is of course defined in Section 6211 of the Internal Revenue Code and if you have the Internal Revenue Code, go to that section and you will see that a 'deficiency' is defined as an amount over and above the amount shown by the taxpayer on his return if a return is filed and an amount was shown by the taxpayer thereon. So there can only be an additional tax, a deficiency, if you filed a tax return and showed an amount of tax. So there cannot be a deficiency if you filed no return whatsoever or a zero return. So the government will prepare phony substitute returns in those cases and make phony zero assessments to confuse its own computer. Now we'll get to how this affects you in liens and levies.

Now before the IRS can even send out a Notice of Levy, if you filed a tax return, even if you didn't file a tax return, the government would have to first send you some kind of notice, usually known as a 30 day letter, that you owe some tax. And even if you didn't respond, they have to send you a Deficiency Notice which gives you the right to litigate what they claim you owe in tax court.

Now if they never sent you a Deficiency Notice and you know for sure they never did, especially since you never moved because a Deficiency Notice has to be sent Registered Mail but sometimes the IRS will attempt to collect the tax even without having sent a Deficiency Notice, you should immediately call the person whose name appears on your Notice of Levy or Notice of Lien and tell that person that you never received a Deficiency Notice, that without receiving a Deficiency Notice, they can't seize any of your property even using their own understanding of the law. That's number 1.

Now, because in 1997 there was an investigation of the IRS, and it was revealed the extent of IRS abuse, the government created in 1998 what is known as a Collection Due Process Procedure. That is covered in Sections 6320 and 6330 of the Internal Revenue Code. So before they can seize your property, the government has to send you a notice that you are entitled to a Collection Due Process Hearing. Now if you never got and you can prove that you never got a Collection Due Process Notice offering you a Collection Due Process Hearing, and you bring that immediately to the attention of the person who sent you this notice, that should stop any seizures also.

So before the IRS can seize any of your property, they would have had to send you before sending you Notices of Liens and Levies they would have had to send you a Deficiency Notice, sometimes called a 90 day letter, or your right to a Due Process Hearing. So you have to check that out.

OK

Now assuming they sent you a Deficiency Notice and you ignored it, and assuming they sent you a notice of your right to a Collection Due Process Hearing and you ignored it, now the tax court would assess the deficiency illegally. And now they would proceed to attempt to illegally collect your taxes.

Now, the documents that we've supplied should enable you to stop all manner of liens and levies. OK.

First of all, many people have a fear that they're going to take their house. The law as it now stands is that the IRS can no longer seize residences without a court order. This is covered in Section 6334 e. Of course you wouldn't know that by reading the statute, so I'll read it to you It says,

**PRINCIPLE RESIDENCE**

**APPROVAL REQUIRED**

**A PRINCIPLE RESIDENCE SHALL NOT BE EXEMPT FROM LEVY IF A JUDGE OR MAGISTRATE OF A DISTRICT COURT OF THE UNITED STATES APPROVES IN WRITING THE LEVY OF SUCH RESIDENCE.**

Actually they say it ass backwards. Instead of saying they need a court order they say that the principle residence shall not be exempt IF ..

what they're doing is they're saying in a complicated way of saying they need a court order.

So, they could put a lien on your house which might prevent you from selling it the lien would be illegal and we'll try and tell you how to take that lien off. But in any case, they can't take your house without a court order.

LEGALLY THEY CAN'T TAKE ANYTHING FROM YOU WITHOUT A COURT ORDER but they do it anyway.

Now there are two kinds of what we call levies. There is a continuous levy and an ordinary levy. Now what the law says is that an ordinary levy is, for example, suppose the government claims you owe \$10,000 and you have \$100 in the bank and they send the bank a Notice of Levy but you only have \$100 in the bank, so the bank gives the government illegally your \$100. Now two days later there's an automatic deposit into your bank account of \$500. Can the bank turn over your \$500 pursuant to the Notice of Levy they got a couple of days previously. The answer is no. For that they would have to get a new Notice of Levy covering that amount of money.

Now if a Notice of Levy has been made on your bank account, on your wages, for instance, we'll cover that first, what the government has used is a 'continuous levy.' They want your employer to keep sending them a portion of your wages every week on the basis of that one Notice of Levy. Now that is a continuous levy and we're giving, included in this material, is a copy of Code Section 6331 (h) and it covers a continuous levy, a continuing levy on certain payments. And this is what they use if they want to levy your wages.

Now look at what the first line says. "If the Secretary approves a levy under this subsection." So if your employer has received a Notice of Levy the first thing you point out to him is "Wait a minute! You don't have to turn over any of my wages unless the agent who signed that Notice of Levy gives you some kind of proof that the Secretary has approved of this levy. Ask him for proof that the Secretary approves of the levy. He won't have such proof because the Secretary has NEVER approved of any such levy and if he shows you any kind of approval with a name on it, it won't be the Secretary and in any case, whosoever name he might claim you would want to see a Delegation of Authority signed by the Secretary or somebody who has been delegated by the Secretary through his original Delegation Order but they don't have it. There's no such Delegation Order from the Secretary so there can be no Re-delegation, so the first thing that can stop your levy on your wages is to point out that the agent who sent it

out cannot produce approval from the Secretary concerning such a levy on your wages.

Now the second thing that you'll do is that if you take the Notice of Levy and if you turn it over, on the reverse side of the Notice of Levy you'll see "Levy and Distraint." And you'll see "surrender of property subject to levy" and it says further on 'any person who fails or refuses to surrender any property or rights to property subject to levy" ... you'll notice that they'll use the word "levy", "levy", "levy" continually. And what your employer is supposed to do is honor a levy. Now what we've included in this package of material is a copy of a levy and it's shown as document 668-B. You'll notice that the Levy needs two signatures, the signature of a revenue officer and signature of the group manager.

Now what your employer received was not a Levy but a Notice of Levy. So the next thing you point out is he's told on the back of that Notice of Levy that he has to honor a Levy. Levy. Levy. And you say 'Well you didn't get a Levy, you didn't get one of these. This is a Levy" What you got was a Notice of Levy. Now where does it say that you've got to honor a Notice of Levy?

Now as I pointed out earlier, the only place where a Notice of Levy is even mentioned is in Code Section 6331 (a). Now you'll notice on the back of the Notice of Levy it claims excerpts, it shows sections of 6331. But it starts with paragraph (b).

What happened to paragraph (a)? Paragraph (a) is missing! Because that would inform all third parties who receive Notices of Levy that they don't apply, Notices of Levy do not apply to you or the property at issue. So your honest government removes paragraph (a) from the back of the Notice of Levy. Now let's see how fraudulent this document is...

The government removes from the back of the Notice of Levy the very portion of the law that provides for a Notice of Levy and includes on the back information with respect to a Levy that third parties never receive. Now any IRS agent who sends out this document should be arrested for mail fraud because that's what this notice is designed to do.

Now if your employer ignores this completely, nothing will happen to him. But he doesn't know that, and you have to assure him that that's the case

OK, we're getting to the end of this tape so we'll see you on the other side:

TO BE CONTINUED (End of Tape 2 Transcription)

## Tape Side B

The proof that nothing will happen if he ignores a Notice of Levy is shown on page 112 with an excerpt from the Legal Reference Guide. You'll notice that in the bottom paragraph where it says "Final Demand" it says:

"WHERE A NOTICE OF LEVY IS SERVED UPON A THIRD PARTY AND THERE IS NO RESPONSE IT SHALL BE FOLLOWED BY A FINAL DEMAND"

and then the last line says

"IN THE EVENT A FINAL DEMAND IS NOT RESPONDED TO A SUIT WILL ORDINARILY BE REQUIRED TO REACH THE PROPERTY"

Which means 'look, if we can't intimidate and extort this money from gullible and fearful third parties then we'll have to do the legal thing and sue the guy and get a court order.' So what they're trying to do is intimidate and extort the money from third parties who have a fear of the IRS and want to stay on the good side of the IRS to avoid audits or what have you.

Now the next thing I'm going to tell you is very important. You should try and get in front, if it's your employer, you try and get in front of the legal department. It will help of course if it's a smaller firm and you can speak to the owner. He'll be impressed with your knowledge, especially if you have your own Internal Revenue Code with the tabs and everything, he'll think you tabbed it yourself.

Now when you get the Notice of Levy, and you should have a copy of it, it will give the individual's name, sometimes you can't even read it, and his position, his title. Usually it will be a Revenue Officer. Those are the people who normally make the seizures. But he could be given a higher title like Supervisor of some division, I don't care what it is. Regardless of the title, here's what you say, do it just like this:

You take that Notice of Levy and it shows his position, and you say to the person who might make the decision:

"Suppose this guy was identified as being a custodian? Suppose it said here he's a janitor? Would you honor this even if you knew it was sent out by the janitor?"

Now I'm not being facetious, that's what you want to say. Wait for an answer! "Would you honor this if it were signed showing it came from a janitor?" Now logically he can say only one thing, he's got to say "Well, no, if it came from the janitor."

And you say "Well why wouldn't you honor it if it came from the janitor?"

See what he's going to say, in essence he's going to say "Because a janitor obviously cannot have any authority to send out a Notice of Levy."

So then you look at whoever DID sign it, I don't care what his position is, let's say it's a Revenue Officer, and you say, "Well do you know whether a Revenue Officer has any more authority than a janitor? You don't know that, do you. It's not signed by a judge. You don't even know if this guy exists because the IRS makes up names. So you don't have any idea who this is, even whether he is a living person even."

They have to admit to that. So then the next thing you say is that "Well suppose I can prove to you that this fellow, I don't care if he's a supervisor, I don't care what his title is, but suppose I can prove to you that he has no more authority than a janitor, would you still honor it?"

Well he's got to say 'no' to that because he certainly believes that you're not going to prove it.

So then the next document you'll have to show is the document from the IRS Manual, identification media, which discusses two kinds of IRS Pocket Commissions, an Enforcement Commission and a Non-Enforcement Commission. And notice the first line says:

"POCKET COMMISSIONS WILL BE ISSUED ONLY TO THOSE EMPLOYEES WHO ARE REQUIRED TO PRESENT PROOF OF THEIR AUTHORITY IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES."

So why shouldn't your employer ask whoever signed your Notice of Levy to prove his authority for sending out the Notice of Levy? That's what these Pocket Commissions are for.

Now you'll notice that it explains that there are two kinds of Pocket Commissions, Enforcement Commissions and Non-Enforcement Commissions.

However the document goes on to explain that Enforcement Commissions are only given to Special Agents and Internal Security Agents and that Non-Enforcement Commissions are given to ALL OTHER AUTHORIZED EMPLOYEES.

Now, Special Agents and Internal Security Agents never sign Notices of Levy or get involved in the seizure of your property. It's always generally Revenue Agents. But whoever it is, since they will not be in any case Special Agents or Internal Security Agents', any other person can only have a Non-Enforcement Pocket Commission.

Now the bottom paragraph explains how to tell the difference. You'll notice that an Enforcement Commission comes in a black leather case with a badge in it, and the serial number of the agent will end in an "E." A Non-Enforcement Pocket Commission is also a very impressive document, it comes in a red leather case with a lot of gold embossed on it, it looks very impressive, it's designed to be impressive, but it gives the agent no more authority than his Boy Scout Identification Card or his driver's license. But it's made to look impressive, but it's non enforcement.

So if he has a Non-Enforcement Pocket Commission that means he has no authority to enforce the payment of income tax by attempting to levy your wages by way of a Notice of Levy, that's simple. So you can give your employer a sworn affidavit, a copy of which we've enclosed, that the person who signed the Notice of Levy has no Enforcement Pocket Commission.

Let your employer, if he wants to cooperate, call the agent and ask him for a photocopy of his Pocket Commission. And if it's a Non-Enforcement Pocket Commission he can tell him to take his Notice of Levy and put it where the "sun don't shine".

And we also enclose the document, I don't want to give you too many documents, use these sparingly. The most important document is the document showing that in order for the Notice of Levy even to have any force it has to have been approved by the Secretary and the other document showing that your employer never got a Levy. However, he's duty bound, as shown by the Federal Crop Case that we've enclosed, that anybody who enters into any arrangement with the government, runs the risk of accurately ascertaining whether the person who is attempting to act in a certain manner actually has the authority to do so.

So you can show that it's his duty, before he turns over your money pursuant to a document not signed by any judge, that the person sending out such a document to garnish a portion of your wages is really legally authorized to do so. So he should make these inquiries, because some people, especially lawyers just turn over the money pursuant to a Notice of Levy usually having a mechanical signature or a signature they can't even read pursuant to this Notice sent out by somebody as I've said who might not even be living.

But further proof that you don't have to honor an IRS Notice of Levy is also contained in the two documents in this package of material. One is a recent decision of the Second Circuit entitled *Schultz v. Internal Revenue Service*. Bob Schultz is Chairman of We The People who has a website, [www.givemeliberty.com](http://www.givemeliberty.com) and what Bob did is he got a summons, an IRS summons, to bring in his books and records and he filed a motion to quash this summons so he wouldn't have to respond to it and the District Court, lo and behold, said 'well, I don't have any jurisdiction to quash this summons because you don't have to honor it anyway. It doesn't compel you to do anything.'

Of course when you look at a Summons, which I enclose in this package of material, it looks very impressive. But then Bob appealed to the Second

Circuit and look at what the Second Circuit said... They said that they have no authority to quash it because as shown on page 4, they said, 'IRS Summonses imply no force to taxpayers and no consequences whatever can ever befall a taxpayer who refuses or ignores or otherwise does not comply with an IRS Summons until that Summons is backed by a Federal Court Order.

Now I've enclosed a copy of an IRS Summons in this package and you'll notice that an IRS Summons looks far more ominous and compelling than a Notice of Levy. Look at what the IRS Summons says: "You are hereby summoned and required to (you see they fill in the names) appear before (and they put in the name of this agent) an officer of the Internal Revenue Service to give testimony and to bring with you and to produce for examination the following books and..." so do you know how many people run down to the IRS and are told by tax lawyers that they have to respond to this summons so they go down with a truckload of books and records...

For those of you who have my Series 6 and listen to Tape 1 of my Series 6, you'll see how I responded to this Notice of Levy and didn't give the government any of my books and records and I had the IRS admit that I wasn't required to turn over my books and records to them, but in any case you can show your employer, "Look, if you don't have to honor a Summons without a court order, what makes you think you have to honor a Notice of Levy without a court order? This is proof that if you don't have to honor an IRS Summons, you don't have to honor ANY document or request from the IRS. As a matter of fact, the IRS was so upset with the Second Circuit's decision even though it was basically in favor of the government because they didn't quash the summons, they asked the Second Circuit to change the language, that this would be used somehow for people to avoid complying with the power of the Summonses which they don't have to comply with anyway.

TO BE CONTINUED (End of Tape 3 Transcription)

Now there is another document here which may be a little indistinct, which was included in a newsletter put out by the United Methodist Federal Credit Union. This is especially important if we're dealing with a bank. It points out in the Educational Corner, the United Methodist Credit Union basically states it's not going to honor IRS Notices of Levy because they're not issued pursuant to judicial process, but an administrative process and they know, I spoke to the President of that credit union and convinced him that they don't have to honor a Notice of Levy and they're not! And of course nothing happens to them by not honoring the Notice of Levy.

Further proof that you don't have to honor a Notice of Levy is shown on page 134 of "The Federal Mafia" - actually 135 - when Simon and Schuster was distributing my book "How Anybody Can Stop Paying Income Taxes," they got a Notice of Levy. And you'll notice Simon and Schuster initially said as shown on Exhibit 7-20, that they've elected not to honor the Notice of Levy but will await a court order and in the letter sent to them by the IRS, the IRS says that they understand that the funds are held by Simon and Schuster and will be held until the question of paying these funds is decided by the courts.

Of course as my book explains, once I terminated my agreement with Simon and Schuster, they turned over the money even though they didn't have to and when I sued Simon and Schuster for breach of contract, because they told me they were going to hold the money, pending a court resolving this, and when they didn't do it, when I sued them, of course, the judges in this case said that Simon and Schuster had to turn over the money which these very letters show they didn't have to do at all.

Now also in this package of material is an article that I wrote for the Anti-Shyster years ago, in which I explained the nature of an IRS lien. Now all IRS liens are phony. They are not liens, and some people say they filed a lien against me, they didn't file a lien, they filed a Notice of Lien.

Now if you're going to file a lien against somebody, you would file a lien. You wouldn't call it a Notice of Lien. A Notice of Lien really means that there's a lien filed someplace but this is the notice of it.

Now since the government knows that it doesn't have the authority to put a lien on anybody's property, it sends out these phony notices knowing that local registrars will code, or record the Notice of Lien as a lien.

Except here in Las Vegas we persuaded the registrar now, she sets up two different categories, one called Lien Notices and one is a Lien. Of course when they file, it, as a lien and credit agencies pick it up as a lien, they're falsely reporting that a lien has been filed against you when no lien has been filed against you. This phony Notice of Lien.

Now you'll notice some 30 states have adopted what is known as the Federal Lien Registration Act. Shown in that schedule I show you the actual statutes in these various states, you can find the law governing liens. Now in all of these states, the law governing federal liens all say the same thing. Here's what they say:

"CERTIFICATION BY THE SECRETARY OF THE TREASURY OR HIS DELEGATE ENTITLES THEM TO BE FILED"

So before a lien can be filed against you in your state - those states this Uniform Federal Lien Act have statutes that basically say the same thing. In other words, if you think about it, it's logical. The federal government is a big agency. They can have liens being sent in by the Dept. of Commerce, Education, etc. how would the registrar know that this is a legitimate lien? Well it would have to come from the Treasury, the Secretary of the Treasury, or his delegate. And it has to be certified. Now in none of these Notices of Liens is there any certification.

So right off the bat, all of them that might be recorded by the registrar in your county, is recorded in violation of your state law.

So you can bring this to the attention of the Registrar and threaten to sue if they don't take off, take from your record the fact that a levy, a lien has been filed against you when no such lien has been filed.

Now when you have a legitimate lien, when the federal government really has a legitimate lien, they don't file something saying 'Notice of Lien,' They file a lien. As a matter of fact I think I will - the

government just got a 2 1/2 million dollar judgment against me as a result of a summary judgment - you out to read how illegal that is, I appealed it to the 9th Circuit, but in any case I'm going to include a copy of that lien so that you'll see that when the government files a LEGITIMATE lien, it is certified, and it's called a 'lien', it's not called a 'notice of lien.'

Now you can sometimes take off a lien by writing to the Secretary of State, in your state, and ask him if there's any lien filed against you with the state by the federal government and he'll generally tell you 'no,' and sometimes with that proof your local county registrar will take off the so-called Notice of Lien.

Now if you're going to sell your house, or if any escrow agent attempts to say that they're going to take a portion of the sale of your house and pay the federal government because there's a lien against your property, you point out that there is no lien, it's a Notice of Lien and you should be able to point out the difference and tell him that if he turns over any such money you're going to sue that party because there is no lien filed against you.

Now if your lien being filed against you is with a bank, then Section 6332 (c) - and we've enclosed a copy of that section with these documents - states "SPECIAL RULE FOR BANKS"

"ANY BANK, AS DEFINED IN SECTION 408 (n) ( which mean credit union any..) SHALL SURRENDER SUBJECT TO ATTACHMENT OR EXECUION UNDER JUDICIAL PROCESS ANY DEPOSITS IN SUCH BANK AFTER 21 DAYS AFTER SERVICE OF LEVY"

Well, #1, you can show your banker he never got service of the levy. He never got a 'levy.' He got a Notice of Levy and it doesn't say '21 days after service of a Notice of Levy.' In addition it says 'under judicial process' and that means a court order. A Notice of Levy is issued under an administrative process. In any case, you should also check the Deposit Agreement - you can find it in the bank. And sometimes these Deposit Agreements will actually say that they will turn over your money pursuant to a judicial process. And you can

always point out that a Notice of Levy is not pursuant to a judicial process.

Now if it's the bank who got the Notice of Levy, you should do the same thing, use the same documents I went over before but you should give copies of all those documents to the Branch Manager of the bank you are dealing with so that you can have proof that you (muffled) because if the bank turns over your money you can sue the bank for triple damages.

You may not want to sue your employer because you're maybe risking employment. But certainly if you give these documents to the bank, it is a matter of fact, most states, like the state of Nevada, specifically have laws which state that banks cannot turn over money - in Nevada law, it says both federal and state banks cannot turn over money except pursuant to a court order and a writ of garnishment. And I'm sure you'll find that in the garnishment laws of all states.

You have two years to sue the bank, so if the bank turns over your money you can sue the bank and I've given you some issues that even I didn't use when I sued the Bank of America about four or five years ago.

So, all of the material that I've given you establishes the IRS has no authority to seize your property, no law allows them to seize your property, and nothing will happen to third parties who do not turn over the property.

Now one other thing, if you're concerned about the seizing of your property, if any IRS agent appears at your house or tries to take your car or anything, what you do is you really say to that person, "What kind of a Pocket Commission do you have?" Now if the IRS agent says he has a Enforcement Pocket Commission and you ask to see it and it's a Non-Enforcement Pocket Commission, then you can charge him with violating the law because he's impersonating an officer. However, if he says in response to your question, "I have a Non-Enforcement Pocket Commissions," if he truthfully responds, saying he has a Non-Enforcement Pocket Commission, then you can say 'Well get the heck out of here because if you have a Non-

Enforcement Pocket Commission you have no more authority to take property from me than I have to take property from you."

Now occasionally, this has happened, but I've heard less and less of this happening now. But it used to happen, since an IRS officer, a Revenue Officer is not authorized to carry firearms of any nature, what he'll do is stop at a local Sheriff's office or police and he'll tell them that he has this Notice of Levy and he wants to take your car and he expects some trouble and he enlists the help of a local Sheriff or somebody from the police department (muffled) anybody the size of the IRS that if he ever got into trouble, so they may accompany this special revenue agent, when he rings the bell you'll come to the door and there will be police officer or sheriff standing along side the IRS agent who might say he wants the keys to your car, he's taking your car, and he illegally has the local police to intimidate you.

Should that ever occur, you look at the police officer and say 'What are you here for? Are you here to arrest me? Arrest me! He won't know what to say. Say 'Well, what are you here for?' And you might ask 'What is the number of your police station that you're attached to. I'm going to call them and want to know why you're here.'" You're not going to be intimidated, as a matter of fact you're going to intimidate the cop.

And if he can't give you any reason for being there, order him off your property, and then you can turn to the IRS agent and say "What are you here for?" He might say 'We're here to take your car, and you can say "Well, what kind of Pocket Commission do you have? An Enforcement or a Non-Enforcement Pocket Commission?" And he's not going to have any enforcement authority.

Now if he goes to put his hand on your car, you can always threaten him, because he's just a thief like any other thief, he cannot produce any kind of authority that he is authorized to take your car, he's trying to steal your car like a common thief, which is what they really are. They're lower than thieves, at least no thief pretends that what he's doing is lawful. That makes a revenue agent so despicable is that they do their thievery while being protected by both the courts and the U.S. Department of Injustice.

Now, until this is resolved, I would recommend that you take your money out of the bank or leave very little in there because the bank will turn over the money and you can buy a number of money orders in various denominations, \$300, \$500, and when you get your bills you just pay them with a money order, it doesn't have to be for the exact amount, if you get an electric bill for \$350 and you pay it with a \$300 money order so they'll add the \$50 to your next bill or if you pay it with a \$400 money order they'll simply give you a credit for the overpayment on your next bill.

Now I know it's not going to be convenient, but it's better than to have the IRS seize all your money as has come to my attention and the person is really screwed up.

But this is the price we'll all be paying nowadays for having such a corrupt and dishonest government.

You want to go to my website, [www.paynoincometax.com](http://www.paynoincometax.com) there's certain things you should know. You should have a good grasp as to what 'income in the constitutional sense' means as opposed to 'income' in the ordinary sense, because for tax purposes, only income in the constitutional sense is taxable and no one, no one, can have income in the constitutional sense, as is fully explained on my website in the motion I filed to point out that the court had no jurisdiction because the government fraudulently misled the grand jury into thinking that income in the ordinary sense is taxable when only income in the constitutional sense is taxable, and no one can have income in the constitutional sense.

Now having said that, I want to point something out to you. If you go to my website, you'll notice that I have an injunction against me where Judge Lloyd George has enjoined me from not only selling my book, but even making certain statements. According to him, I can't even state that income is a corporate profit, which in my view it is; that there is no income tax liability, and there isn't; I can't say a number of things all of which are true. However, why am I telling you this. Because after the injunction which enjoined me from making certain statements, the government charged me criminally for allegedly violating a number of statutes and this caused me to file four motions which are posted on my website, explaining why the

court had no jurisdiction because I was not liable for the tax and I had no income.

Now, what I have now posted on my website is my claim with respect to income and liability but I also posted on the website why the government says I'm wrong. With respect to these views. And then I of course answered the government again. So the government cannot claim that I'm misleading anyone because whatever I'm telling you is on my website and I'm also telling you that the government says that everything I say is wrong and actually can promote tax evasion.

So if you follow my advice, you're doing so knowing that what I'm telling you could constitute tax evasion. Of course I don't believe it, I don't believe anything I tell you is false, but I want to put this disclaimer so nobody can say I didn't tell you.

And also the question of whether or not I am even delusional came up and that also is on my website. So, I want you to understand that anything I tell you is my own personal belief, the government claims that what I tell you could constitute tax evasion, so knowing all of that you're going to have to listen to what I have to tell you, go to my website and listen to what the government has to say about it and then you can decide who is telling the truth.

Now in any fight with the IRS or third parties, I recommend you have a copy of the Internal Revenue Code and you examine it. Also you might want to get my Summary Tape which I can recommend to you which also has tape of my arraignment. And a further thing I would mention, if there's a lien placed against you, you can actually see the names of the fictitious people whose names appear there. Then you can tell the bank, or yourself, and force them to produce their pocket commissions and they will only have Non-Enforcement Pocket Commissions. This will also show that they have no authority to impose those liens.

Now having said that, your ability to use this material and make it work for you depends upon how thoroughly you understand it and how forcefully and confidently you present the material.

Now I also recommend that you go to my website and learn the material presented there. There's a lot of free information on my website, send all your friends to my website because it's very important that as many people as possible be made aware of the destructive and criminal nature of the federal government and how it has undermined our entire industrial base. Along those lines, do listen to my archived radio shows which focus on a lot of this material. So I want to wish you a lot of luck in the use of this material and let me know how it works for you.

Should you have any question about it, do give us a call. Now remember I have to through my own criminal trial and hopefully by the time you need me that trial will be over.

So this is Irwin Schiff wishing you the best of luck in the use of this material. so until we speak again, this is Irwin Schiff signing off.

END OF NEW LIEN AND LEVY PACK (End of Tape 4)

*Note: don't miss the movie "America Freedom to Fascism", by Aaron Russo (professional film maker who also made Trading Places and The Rose to name just two). If this movie comes to a theatre anywhere within 500 miles – it would be well worth your time to go see it and take a bus load with you when you go.*

*Irwin Schiff is in this film and his material is used intensively throughout as you'll see when you see the movie.*