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1 Purpose

This document will explain how statutes preventing money laundering are being misrepresented and abused to accomplish all the following illegal acts:

2. Illegally and unconstitutionally convert PRIVATE property deposited with financial institutions to PUBLIC property.
4. Institute identity theft against people domiciled in constitutional states of the Union whereby their identity is illegally kidnapped and transported against their will and often without their knowledge to the District of Columbia, which Mark Twain called the District of Criminals.
5. Institute false and/or fraudulent government propaganda and disinformation that protects and expands the above illegal abuses.

Illegal use or application of money laundering and reporting statutes is the MAIN tool used by a corrupted covetous government to illegally terrorize, politically persecute, and “selectively enforce” against freedom minded Americans all over the country. An understanding of how this illegal and even CRIMINAL “selective enforcement” is instituted is crucial if you wish to survive such illegal persecution. Below are some of the present and past groups affected by such illegal enforcement:

1. The National Commodity and Barter association was shut down.
2. Bitcoin sites were forced to obtain a Money Services Business (MSB) License and report against people who were NOT subject to reporting.
3. E-Gold, Samuel Jackson, was raided by the FBI, IRS, and Department of Treasury and threatened with criminal prosecution for money laundering if he did not file KNOWINGLY false federal transaction reports against nonresident parties who were not subject to them.
4. People dealing in cash to LAWFULLY avoid banks that force them to misrepresenting their status as statutory “U.S. persons” for the PRIVILEGE of opening an account are frequently and ILLEGALLY prosecuted for money laundering and tax evasion.

Like so many other areas where there is government corruption, the government and financial institution crimes described in this document result not from the laws as written, but how they are MIS-interpreted, MIS-represented, and illegally enforced against those NOT demonstrably or factually subject to them. That mis-interpretation and mis-enforcement originates primarily from covetousness of politicians for YOUR money, and from the vain and self-serving lust for power exhibited by these people, as described by U.S. Supreme Court Judge Antonon Scalia in the following video:

**Interview with Supreme Court Justice Scalia about His Book Reading Law**, Exhibit #11.006
[http://sedm.org/Exhibits/ExhibitIndex.htm](http://sedm.org/Exhibits/ExhibitIndex.htm)

For further exhaustive evidence on how words of art are systematically abused as a way to STEAL jurisdiction that courts in fact do not have and to commit criminal identity theft against state citizens in the process, see:

1. *Legal Deception, Propaganda, and Fraud*, Form #05.014
   FORMS PAGE: [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
   DIRECT LINK: [http://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf](http://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf)
2. *Government Identity Theft*, Form #05.046
   FORMS PAGE: [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
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   DIRECT LINK: [http://www.youtube.com/watch?v=DvnTL_Z5asc](http://www.youtube.com/watch?v=DvnTL_Z5asc)
2 Money Background

2.1 Authorities on “deceit in commerce” and “just weights and measures”

This section describes authorities for just weights, measures, and trade from various authoritative sources. The Bible says that the love of money, not money itself, is the root of ALL evil.

"The love of [your] money is the root of all [government] evil.”
[1 Tim. 6:10, Bible, NKJV]

The Bible also concludes that dishonest commerce was the reason that Satan himself was cast out of God’s presence. Satan is therefore the root of all evil because he loved money:

"By the abundance of your [Satan’s] trading [commerce]
You became filled with violence within,
And you sinned;
Therefore I cast you as a profane thing
Out of the mountain of God;
And I destroyed you, O covering cherub,
From the midst of the fiery stones.
[Eze. 28:16, Bible, NKJV]

Ayn Rand put it best, when she said in her book Atlas Shrugged about the subject of money, and the requirement for consent, honesty, and integrity by government in any and every endeavor:

"Money is the barometer of a society's virtue. When you see that trading [or religious ministry, for that matter] is done, not by consent, but by [government] compulsion [or regulation]—when you see that in order to produce, you need to obtain permission from men [in the IRS] who produce nothing—when you see that money is flowing to those who deal, not in goods, but in [political] favors—when you see that men get richer by graft and by pull ['extortion under the color of law'] than by work, and your laws don't protect you against them [the government], but protect them [the government] against you—when you see corruption being rewarded [by a corrupted federal judiciary] and honesty [and hard work, and personal responsibility] becoming a self-sacrifice—you may know that your society is doomed[?]. Money is so noble a medium that it does not compete with guns and it does not make terms with brutality. It will not permit a country to survive as half-property, half-loot.

"Whenever destroyers [the IRS, the Federal Reserve, and the Dept of Justice] appear among men, they start by destroying money, for money is men's protection and the base of a moral existence. Destroyers [in the Federal Reserve] seize gold and leave to its owners a counterfeit pile of [flat] paper. This kills all objective standards and delivers men into the arbitrary power of an arbitrary setter of values [a corrupted government, in this case]. Gold was [and continues to be] an objective value, an equivalent of wealth produced. Paper is a mortgage on wealth that does not exist, backed by a gun aimed [by a tyrant judge with a conflict of interest] at those who are expected to produce it. Paper [Federal Reserve Notes] is a check drawn by legal looters upon an account which is not theirs: upon the virtue of the victims. Watch for the day when it becomes, marked: 'Account overdrawn.'

"When you have made evil [government looting through constructive fraud, obfuscation and complication of the tax laws, and through socialist/humanist tax system that rewards and subsidizes laziness, irresponsibility, and government dependency and punishes and taxes success] the means of survival, do not expect men to remain good. Do not expect them to stay moral and lose their lives for the purpose of becoming the fodder of the immoral [government parasites]. Do not expect them to produce, when production is punished and [government looting rewarded. Do not ask, 'Who is destroying the world?' You are [by doing NOTHING to correct the corruption or by accepting ANY of the stolen loot in the form of a government handout/bribe]."
[Atlas Shrugged, Ayn Rand, p. 387]

By making the above statement, Ms. Rand is emphasizing that there is no more important area where government honesty and integrity is necessary than in the way government handles money and commerce. A government that mishandles or covets money and steals it is a bad government that is intent on destroying, not protecting the society that it is constitutionally tasked with protecting.

"The king [or public servant] establishes the land by justice; but he who receives bribes [or stolen LOOT] overthrows it.”
[Prov. 29:4, Bible, NKJV]

"Getting treasures [stolen loot] by a lying tongue
Is the fleeting fantasy of those who seek death.
The violence of the wicked will destroy them,
God says in the Bible that deceit in commerce, and by implication taxation as well, is a hateful abomination to the Lord. What God hates, we are also supposed to hate as Christians, and notice the thing that is being hated is not a person, but an evil and unlawful behavior that violates God's laws and/or man's laws. Below is an explanation of precisely why God hates deceit in commerce so vehemently and why ultimately, those who openly and willfully practice it are going to HELL, based on commentary relating to the Proverbs 11:1, 10:10, 20:23 found in the Bible:

As religion towards God is a branch of universal righteousness (he is not an honest man that is not devout), so righteousness towards men is a branch of true religion, for he is not a godly man that is not honest, nor can he expect that his devotion should be accepted; for,  

1. Nothing is more offensive to God than deceit in commerce. A false balance is here put for all manner of unjust and fraudulent practices [of our public dis-servants] in dealing with any person [within the public], which are all an abomination to the Lord, and render those abominable [hated] to him that allow themselves in the use of such accursed arts of thriving. It is an affront to justice, which God is the patron of, as well as a wrong to our neighbour, whom God is the protector of. Men [in the IRS and the Congress] make light of such frauds, and think there is no sin in that which there is money to be got by, and, while it passes undiscovered, they cannot blame themselves for it; a blot is no blot till it is hit. Hos. 12:7, 8. But they are not the less an abomination to God, who will be the avenger of those that are defrauded by their brethren.  

2. Nothing is more pleasing to God than fair and honest dealing, nor more necessary to make us and our devotions acceptable to him: A just weight is his delight. He himself goes by a just weight, and holds the scale of judgment with an even hand, and therefore is pleased with those that are herein followers of him. A [false] balance, [whether it be in the federal courtroom or at the IRS or in the marketplace] cheats, under pretence of doing right most exactly, and therefore is the greater abomination to God.” [Matthew Henry’s Commentary on the Whole Bible; Henry, M., 1996, c1991, under Prov. 11:1]  

Daniel Webster, an early statesman of America, also had the following to say about a monetary system that is not based on substance, when he said:

It would be to our everlasting reproach, it would be placing us below the general level of the intelligence of civilized states, to admit that we cannot contrive means to enjoy the benefits of bank circulation, and of avoiding, at the same time, its dangers. Indeed, Sir, no contrivance is necessary. It is contrivance and the love of contrivance, that spoil all. We are destroying ourselves by a remedy which no evil called for. We are ruining perfect health by nostrums and quackery. We have lived hitherto under a well constructed, practical, and beneficial system; a system not surpassed by any in the world; and it seems to me to be presuming largely indeed, on the credulity and self denial of the people, to rush with such sudden and impetuous haste into new schemes and new theories, to overturn and annihilate all that we have so long found useful.

Our system has hitherto been one in which paper has been circulating on the strength of a specie basis; that is to say, when every bank-note was convertible into specie at the will of the holder. This has been our guard against excess. While banks are bound to redeem their bills by paying gold and silver on demand, and are at all times able to do this, the currency is safe and convenient. Such a currency is not paper money, in its odious sense. It is not like the Continental paper of Revolutionary times; it is not like the worthless bills of banks which have suspended specie payments. On the contrary, it is the representative of gold and silver, and convertible into gold and silver on demand, and therefore answers the purposes of gold and silver; and so long as its credit is in this way sustained, it is the cheapest, the best, and the most convenient circulating medium. I have already endeavored to warn the country against irredeemable paper; against the paper of banks which do not pay specie for their own notes; against that miserable, abominable, and fraudulent policy, which attempts to give value to any paper, of any bank, one single moment longer than such paper is redeemable on demand in gold and silver. I wish most solemnly and earnestly to repeat that warning; I see danger of that state of things ahead. I see imminent danger that a portion of the State banks will stop specie payments. The late measure of the Secretary, and the infractions with which it seems to be supported, tend directly and strongly to that result. Under pretence, then, of a design to return to a currency which shall be all specie, we are likely to have a currency in which there shall be no specie at all. We are in danger of being overwhelmed with irredeemable paper, mere paper, representing not gold nor silver; no, Sir, representing nothing but broken promises, bad faith, bankrupt corporations, cheated creditors, and ruined people. This, I fear, Sir, may be the consequence, already alarmingly near, of this attempt; unwise if it be real, and grossly fraudulent if it be only pretended, of establishing an exclusively hard-money currency.

But, Sir, if this shock could be avoided, and if we could reach the object of an exclusive metallic circulation, we should find in that very success serious and insurmountable inconveniences. We require neither irredeemable paper, nor yet exclusively hard money. We require a mixed system. We require specie, and we require, too, good bank paper, founded on specie, representing specie, and convertible into specie on demand. We require, in short,
just such a currency as we have long enjoyed, and the advantages of which we seem now, with unaccountable rashness, about to throw away.


2.2 What is “Money”? 

The legal definition of money found in Black’s Law Dictionary reads as follows:

Money. In usual and ordinary acceptation it means coins and paper currency used as circulating medium of exchange, and does not embrace notes, bonds, evidences of debt, or other personal or real estate. Lane v. Railey, 280 Ky. 319, 133 S.W.2d. 74, 79, 81. See also Currency; Current money; Flat money; Legal tender; Near money; Scrip; Wampum.

A medium of exchange authorized or adopted by a domestic or foreign government as a part of its currency. U.C.C. 1-201(24).

Public money. Revenue received from federal, state, and local governments from taxes, fees, fines, etc. See Revenue.


Money is defined in the United States Constitution as follows:

United States Constitution
Article 1, Section 10, Clause 1

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money, emit Bills of Credit; make any Thing but gold and silver Coin as Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, Law impairing the Obligation of Contracts, or grant any Title of Nobility.

The power of Congress to coin money is found in Article 1, Section 8, Clause 5 of the U.S. Constitution:

U.S. Constitution
Article 1, Section 8, Clause 5

The Congress shall have Power To . . .

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures

The first definition of money appeared in the United States of America Money Act, April 2, 1792, 1 Stat. 246.

The current authority for the U.S. mint to produce coins is found in 31 U.S.C. §5112.

The most complete and authoritative study of constitutional money ever published is found in the following document:

http://www.edwinvieira.com/

2.3 Money as debt

The Constitution authorizes Congress to borrow money:

United States Constitution
Article 1, Section 8, Clause 2

The Congress shall have Power. . .

To borrow Money on the credit of the United States;
The U.S. Supreme Court confirmed in the Legal Tender Cases that obligations of the United States may also become “money”, when it held the following.

Congress, as the legislature of a sovereign nation, being expressly empowered by the constitution ‘to lay and collect taxes, to pay the debts and provide for the common defense and general welfare of the United States,’ and ‘to borrow money on the credit of the United States,’ and ‘to coin money and regulate the value thereof and of foreign coin;’ and being clearly authorized, as incidental to the exercise of those great powers, to emit bills of credit to charter national banks, and *450 to provide a national currency for the whole people, in the form of coin, treasury notes, and national bank bills; and the power to make the notes of the government a legal tender in payment of private debts being one of the powers belonging to sovereignty in other civilized nations, and not expressly withheld from congress by the constitution; we are irresistibly impelled to the conclusion that the impressing upon the treasury notes of the United States the quality of being a legal tender in payment of private debts is an appropriate means, conducive and plainly adapted to the execution of the undoubted powers of congress, consistent with the letter and spirit of the constitution, and therefore within the meaning of that instrument, ‘necessary and proper for carrying into execution the powers vested by this constitution in the government of the United States.’

[Legal Tender Cases, 110 U.S. 421, 449-450 (1884)]

The trouble with our present debt-based currency system is that when the U.S. government issues obligations such as Federal Reserve Notes, these notes become “money” and the government is no longer operating in a “public”, but rather a “private” capacity. This was confirmed by the U.S. Supreme Court when it said:

“What, then, is meant by the doctrine that contracts are made with reference to the taxing power resident in the State, and in subordination to it? Is it meant that when a person lends money to a State, or to a municipal division of the State having the power of taxation, there is in the contract a tacit reservation of a right in the debtor to raise contributions out of the money promised to be paid before payment? That cannot be, because if it could, the contract (in the language of Alexander Hamilton) would ‘involve two contradictory things: an obligation to do, and a right not to do; an obligation to pay a certain sum, and a right to retain it in the shape of a tax. It is against the rules, both of law and of reason, to admit by implication in the construction of a contract a principle which goes in destruction of it. The truth is, States and cities, when they borrow money and contract to repay it with interest, are not acting as sovereignties. They come down to the level of ordinary individuals. Their contracts have the same meaning as that of similar contracts between private persons. Hence, instead of there being in the undertaking of a State or city to pay, a reservation of a sovereign right to withhold payment, the contract should be regarded as an assurance that such a right will not be exercised. A promise to pay, with a reserved right to deny or change the effect of the promise, is an absurdity.”

Is, then, property, which consists in the promise of a State, or of a municipality of a State, beyond the reach of taxation? We do not affirm that it is. A State may undoubtedly tax any of its creditors within its jurisdiction for the debt due to him, and regulate the amount of the tax by the rate of interest the debt bears, if its promise be left unchanged. A tax thus laid impairs no obligation assumed. It leaves the contract untouched. But until payment of the debt or interest has been made, as stipulated, we think no act of State sovereignty can work an exonerations from what has been promised to the [446] creditor; namely, payment to him, without a violation of the Constitution. The true rule of every case of property founded on contract with the government is this: It must first be reduced into possession, and then it will become subject, in common with other similar property, to the right of the government to raise contributions upon it. It may be said that the government may fulfill this principle by paying the interest with one hand, and taking back the amount of the tax with the other. But to this the answer is, that, to comply truly with the rule, the tax must be upon all the money of the community, not upon the particular portion of it which is paid to the public creditors, and it ought besides to be so regulated as not to include a lien of the tax upon the fund. The creditor should be no otherwise acted upon than as every other possessor of money; and, consequently, the money he receives from the public can then only be a fit subject of taxation when it is entirely separated' (from the contract), 'and thrown undistinguished into the common mass.'

Hamilton, Works, 514 et seq. Thus only can contracts with the State be allowed to have the same meaning as all other similar contracts have.

[Murray v. City of Charleston, 96 U.S. 432 (1877)]

By simply printing more Federal Reserve Notes, then, the government is effectively borrowing from those people who hold money already in circulation by increasing the supply of money and diluting the corresponding value of existing money. In other words, when the U.S. Government prints more and more money, as it must do as it keeps borrowing more and more
money from the privately owned Federal Reserve Banks, it essentially is debasing the currency that is in circulation by
inflating the money supply. The U.S. Government steals the wealth of the American People by creating inflation so that in
real terms, money in circulation today, is worth less (it buys less) than the same amount of money in circulation ten years
ago.

In that sense, there is at least an implied contract to repay those it has borrowed value against, which means that in relation
to all those holding “cash” at the time that the supply of money was increased by issuing more, then the government is acting
in a private and not public capacity and a mere private creditor with a fiduciary duty to repay the money. Here are some
court opinions on this subject, in fact:

“A claim against the United States is a right to demand money from the United States. 1 Such claims are sometimes
spoken of as gratuitous in that they cannot be enforced by suit without statutory consent. 2 The general rule of
non-liability of the United States does not mean that a citizen cannot be protected against the wrongful
governmental acts that affect the citizen or his or her property. 3 If, for example, money or property of an
innocent person goes into the federal treasury by fraud to which a government agent was a party, the United
States cannot [lawfully] hold the money or property against the claim of the injured party.”
[American Jurisprudence 2d, United States, §45 (1999)]

California Civil Code
Section 2224

“One who gains a thing by fraud, accident, mistake, undue influence, the violation of a trust, or other wrongful
act, is, unless he or she has some other and better right thereto, an involuntary trustee of the thing gained, for the
benefit of the person who would otherwise have had it.”

“The United States, we have held, cannot, as against the claim of an innocent party, hold his money which has
gone into its treasury by means of the fraud of its agent. While here the money was taken through mistake
without element of fraud, the unjust retention is immoral and amounts in law to a fraud of the taxpayer’s rights.
What was said in the State Bank Case applies with equal force to this situation. ‘An action will lie whenever
the defendant has received money which is the property of the plaintiff, and which the defendant is obligated
by natural justice and equity to refund. The form of the indebtedness or the mode in which it was incurred is
immaterial.’”

The Legal Tender Cases holding earlier occurred at a time when promissory notes issued by the government that were the
subject of the case were still redeemable in gold or silver. Redeemability ended officially by Executive fiat in 1971 through
President Nixon’s Presidential Proclamation 4074. Since the enactment of the Federal Reserve Act in 1913, the U.S. Supreme
Court has very deliberately and systematically never since ruled on or heard any cases that would address any of the following
important questions. We allege that if the Supreme Court had accepted their Constitutional duty to address the following

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questions since the Federal Reserve Act was enacted in 1913, the Federal Reserve would have been declared unconstitutional long ago:

1. In what way does an end to redeemability of obligations of the United States in gold and silver change the holding in the Legal Tender Cases, 110 U.S. 421, 449-450 (1884)? Redeemability ended by Executive Fiat with Presidential Proclamation 4074 in 1971. A contrived and continuing state of national emergency is the only justification for the Presidential Proclamation and the stoppage of redeemability.

2. How can a state of contrived national emergency lawfully be maintained as a justification to suspend redeemability? The U.S. Supreme Court has ruled previously that NO NATIONAL EMERGENCY justifies a suspension of the Constitution.

Emergency does not create power. Emergency does not increase granted power or remove or diminish the restrictions imposed upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the federal government and its limitations of the power of the States were determined in the light of emergency, and they are not altered by emergency. What power was thus granted and what limitations were thus imposed are questions [290 U.S. 398, 426] which have always been, and always will be, the subject of close examination under our constitutional system.

While emergency does not create power, emergency may furnish the occasion for the exercise of power. 'Although an emergency may not call into life a power which has never lived, nevertheless emergency may afford a reason for the exertion of a living power already enjoyed.' Wilson v. New, 243 U.S. 332, 348, 37 S.Ct. 298, 302, L.R.A. 1917E, 938, Ann.Cas. 1918A, 1024.
[Home Bldg. & Loan Ass’n v. Blaisdell, 290 U.S. 398 (1933)]

3. Can Congress lawfully substitute its power to mint money under Constitution Article 1, Section 8, Clause 5 with its power to borrow money in Article 1, Section 8, Clause 2? We allege that they can’t, nor can they lawfully end or delegate an end to redeemability under 12 U.S.C. §95b without engaging in abuse of their authority over money to effect THEFT on a grand scale.

4. Can Congress lawfully delegate its exclusive authority to mint money under Constitution Article 1, Section 8, Clause 5 to a private, for profit consortium of banks as it did with the Federal Reserve Act in 1913? If they can’t, why isn’t the Federal Reserve declared by the U.S. Supreme Court to be unconstitutional?

5. Because Federal Reserve Notes are obligations/debt of the United States, is the government operating in a private rather than public capacity towards all those who are adversely affected when these notes were printed without any backing? Is there an implied waiver of sovereign immunity by the government towards all those who are adversely affected?

“A claim against the United States is a right to demand money from the United States. Such claims are sometimes spoken of as gratuitous in that they cannot be enforced by suit without statutory consent. The general rule of non-liability of the United States does not mean that a citizen cannot be protected against the wrongful governmental acts that affect the citizen or his or her property. If, for example, money or property of an innocent person goes into the federal treasury by fraud to which a government agent was a party, the United States cannot [lawfully] hold the money or property against the claim of the injured party.”
[American Jurisprudence 2d, United States, §45 (1999)]

“When the Government has illegally received money which is the property of an innocent citizen and when this money has gone into the Treasury of the United States, there arises an implied contract on the part of the Government to make restitution to the rightful owner under the Tucker Act and this court has jurisdiction to entertain the suit.
90 Ct.Cl. at 613, 31 F.Supp. at 769.”

California Civil Code
Section 2224

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EXHIBIT:______
“One who gains a thing by fraud, accident, mistake, undue influence, the violation of a trust, or other wrongful act, is, unless he or she has some other and better right thereto, an involuntary trustee of the thing gained, for the benefit of the person who would otherwise have had it.”

“The United States, we have held, cannot, as against the claim of an innocent party, hold his money which has gone into its treasury by means of the fraud of its agent. While here the money was taken through mistake without element of fraud, the unjust retention is immoral and amounts in law to a fraud of the taxpayer’s rights. What was said in the State Bank Case applies with equal force to this situation. ‘An action will lie whenever the defendant has received money which is the property of the plaintiff, and which the defendant is obligated by natural justice and equity to refund. The form of the indebtedness or the mode in which it was incurred is immaterial.’”


6. Which of the following describes newly issued obligations of the U.S. such as Federal Reserve Notes that are not redeemable in anything of substance?

6.1. A “tax”?
6.2. Theft?

As more notes are produced, the real, inflation-adjusted value of existing notes is decreased, thereby facilitating either TAXATION or THEFT from those who already hold Federal Reserve Notes. The only one who benefits by printing more money and causing inflation, is the U.S. Government because their fixed debt obligations are repaid with Federal reserve Notes whose purchasing power is less than when the currency-debt obligations were issued.

A number of documentaries and books have been written about the scandal created by the willful and treasonous refusal of federal courts to address the above questions and all the evil consequences that result. Below is a sampling of a few that we have found so far:

1. Debit Virus, Jacques Jaikaran, 1992, Library of Congress #91-70030. Excellent. This book caused such a stir that the government went after the author and now he is in jail on trumped up charges.

http://www.webofdebt.com/

http://www.themoneymasters.com/

http://realityzone.stores.yahoo.net/

http://famguardian.org/PublishedAuthors/Indiv/MullinsEustice/SecretsOfFedReserve/TOC.htm

The purpose of having a substance backed currency redeemable in specie (substance) is to regulate and limit the quantity of government debt to ensure a stable, closed system of spending and taxing. Here is the way one monetary expert describes it:

“...Gold has the same role to play in the monetary system as the fly-wheel regulator does in an engine, the brake does in a train, and circuit-breakers do in an electrical network. Gold is the regulator of the quantity of debt in the economy that can be safely created and carried. It is also safeguarding quality by rejecting toxic debt before it can start metastasis. Debt-based currency utterly lacks safeguards limiting quantity and vouching for quality of debt. Debt-based currency is an invitation to disaster, that of the toppling of the Tower of Babel. Its effects are far from being instantaneous. There is a threshold and there is a critical mass involved. We have long since crossed that threshold and passed that critical mass. By no rational calculus can the outstanding debt be expected to be repaid without inflationary or deflationary adventures, even if further increase were stopped dead in its track. The discussion of the present financial crisis by academia and media avoids all reference to this fact. Under the gold standard a fast-breeder of debt was unthinkable, and debt was retired in an orderly manner.”
["The Gold Standard Strikes Back......With A 36-Year Lag “, Professor Antal Fekete essay]

The redeemability of money in substance was officially ended in 1971. Using Professor Fekete’s metaphors, with the regulator of debt now disabled, the brakes discarded, and the circuit breakers removed, it is now understandable, as the last and final act of our financial drama plays out, why we now find ourselves buried beneath unbearable and unpayable quantities of toxic debt.
Removing gold from the international monetary system in 1971 allowed the U.S. to then begin issuing U.S. dollars in increasingly excessive amounts as the U.S. was no longer constrained by gold to maintain any semblance of fiscal restraint or discipline.

While consequences may be delayed they cannot be avoided. It’s been 38 years since the U.S. removed gold and silver from the international monetary system. As a consequence, the debt-based system now implemented world-wide is beginning to collapse. Someday, it will collapse completely.

The current economic crisis is now moving quickly towards resolution. How and when it will end is as uncertain as that it will. Systemic death is never easy and the banker’s paper money, like the fatal virus it is, is now everywhere. Its end will not be easy.

Severe climate change, food shortages, and the possibility of a pandemic are taking their place beside the ever-present possibility of military conflict. The collapse of the financial system will not be the only crisis that confronts humanity in the near future. Don’t be left holding worthless paper when the music stops at the cake walk! Don’t be like the seven foolish virgins spoken of in Matt. 25:1-13 (of the Bible) who had no oil for their lamp when the bridegroom called. The oil spoken of in that parable is GOLD.

2.4 Why We Don’t Have Lawful “Money”

The power to coin money described earlier in section 2.2 is not the origin of the authority for printing Federal Reserve Notes. Those notes are printed under the authority of Article 1, Section 8, Clause 2 of the U.S. Constitution:

U.S. Constitution
Article 1, Section 8, Clause 2

The Congress shall have Power .

To borrow Money on the credit of the United States;

In section one of H.J.R. 192 there is a single very important sentence, which states:

"Any such provision contained in any law authorizing obligations to be issued by or under the authority of the United States, is hereby repealed, ***."

This is important because under Section 16 of the Federal Reserve Act, the “Federal reserve notes” issued under that section were expressly said to be obligations of the United States. Then, in June of 1933 the authority to issue those Section 16 Federal reserve notes was repealed. Result? ALL Federal reserve or Reserve notes are without authority of law! Thus, we have a colorable currency to go with colorable law, but the whole system is based on FRAUD and unlawful.

The “money” you think you carry around in your pocket isn’t money at all, but a debt instrument or obligation borrowed from a PRIVATE banking consortium deceptively called the “Federal Reserve” pursuant to Article 1, Section 8, Clause 2 of the United States Constitution. You will note that the top of each bill says “Federal Reserve Note”. The “Federal Reserve”, in fact, is about as “federal” as “Federal Express”. Here is how Black’s Law Dictionary, Sixth Edition defines “money” on page 1005:

Money: In usual and ordinary acceptation it means coins and paper currency used as circulating medium of exchange, and does not embrace notes, bonds, evidences of debt, or other personal or real estate. Lane v. Railey, 280 Ky, 319, 133 S.W.2d, 74, 79, 81.

Here is what enacted law says about this subject in 12 U.S.C. §411:

TITLE 12 > CHAPTER 2 > SUBCHAPTER XII > Sec. 411.
Sec. 411 - Issuance to reserve banks; nature of obligation; redemption

Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set
forth and for no other purpose, are authorized. **The said notes shall be obligations of the United States** and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. **They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.**

You can search the entire U.S. Code as we have and NOWHERE will you find any place where “Federal Reserve Notes” are defined or identified as “dollars” as used in the Constitution. Therefore, you cannot lawfully conclude that they are equivalent. A Congressman wrote the Federal Reserve Board and they wrote back to admit that there is NO DEFINITION for what a “dollar” is! See the amazing truth for yourself at the link below:

Ogilvie Letter, Exhibit #06.001
http://sedm.org/Exhibits/ExhibitIndex.htm

"Federal Reserve Notes" are in many respects similar to the "United States Notes"; they are both paper; they are both "Notes", and they both circulate on the credit of the United States. ...

"United States notes are engagements to pay dollars and the dollars intended were the coined dollars of the United States."
[Bank of New York v. N.Y. County, 7 Wall. (U.S.) 26]

"Their name imports obligation, everyone of them expresses upon its face an engagement of the nation to pay to the bearer a certain sum, the dollar note is an engagement to pay a dollar, and the dollar intended is the coined dollar of the United States, a certain quantity in weight and fineness of gold or silver ... no other dollars had before been recognized by the legislature of the national government as lawful money."
[Bank of New York, supra., at 30]

The Supreme court held that the issue of "United States Notes," was not an attempt by Congress to make “dollars”, but an attempt to borrow “dollars” and to repay that debt.

But wait a minute! The law says that obligations of the U.S. government are not taxable in 31 U.S.C. §3124!

TITLE 31 > SUBTITLE III > CHAPTER 31 > SUBCHAPTER II > Sec. 3124.
Sec. 3124. - Exemption from taxation

(a) Stocks and obligations of the United States Government are exempt from taxation by a State or political subdivision of a State. The exemption applies to each form of taxation that would require the obligation, the interest on the obligation, or both, to be considered in computing a tax, except -

(1) a nondiscriminatory franchise tax or another nonproperty tax instead of a franchise tax, imposed on a corporation; and

(2) an estate or inheritance tax.

(b) The tax status of interest on obligations and dividends, earnings, or other income from evidences of ownership issued by the Government or an agency and the tax treatment of gain and loss from the disposition of those obligations and evidences of ownership is decided under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.). An obligation that the Federal Housing Administration had agreed, under a contract made before March 1, 1941, to issue at a future date, has the tax exemption privileges provided by the authorizing law at the time of the contract. This subsection does not apply to obligations and evidences of ownership issued by the District of Columbia, a territory or possession of the United States, or a department, agency, instrumentality, or political subdivision of the District, territory, or possession

Therefore, your Federal Reserve Notes (FRN’s) are not taxable by federal State governments, because they aren’t really lawful money, but debt obligations, or the equivalent of corporate government bonds! For more interesting reading, we refer you to the Legal Tender Cases, Juilliard v. Greenman, 110 U.S. 421 (1884).
“Under the power to borrow money on the credit of the United States, and to issue circulating notes for the money borrowed, [Congress’] power to define the quality and force of those notes as currency is as broad as the like power over a metallic currency under the power to coin money and to regulate the value thereof. Under the two powers, taken together, Congress is authorized to establish a national currency, either in coin or in paper, and to make that currency lawful money for all purposes, as regards the national government or private individuals. . . . (Emphasis added)”

Here is what one federal court said when one American claimed his FRN’s were not lawful money and that they were exempt from taxation by a state. It’s all B.S., of course:

“Congress has delegated the power to establish this national currency which is lawful money to the Federal Reserve System. 12 U.S.C. §411. Congress has made the Federal Reserve note the measure of value in our monetary system, 12 U.S.C. § 412 (1968),244 and has defined Federal Reserve notes as legal tender for taxes, 31 U.S.C. §392 (1965), Taxpayers' attempt to devalue the Federal Reserve notes they received as income is, therefore, not lawful under the laws of the United States.”

[Mathes v. Commissioner of Internal Revenue, 576 F.2d. 70 (1978)]

Obviously, Mr. Mathes didn’t explain his case properly. If he had stuck to the statutory definition of a “dollar” and demanded that a statute be produced describing WHICH of the two “dollars” they are talking about, the court would have been powerless, because “there ain’t no friggin statute”, as confirmed by correspondence from the Federal Reserve Board itself! Judges can’t make up definitions that don’t exist in order to enforce laws against persons or things not specified in law. Their practicing religion and establishing a religion in violation of the First Amendment to do so. What they are doing is religion because they are espousing a belief that makes them superior, and that belief cannot or is not substantiated by any admissible evidence. Furthermore, Mr. Mathes probably didn’t use the following as an excuse for why his earnings are not subject to withholding and are not “wages” as legally defined. The following provision requires that earnings of an “employee” as legally defined are not “wages” if the employee is not engaged in a “trade or business” and the “employee’s” remuneration was paid in any medium OTHER than “cash”:

United States Code
TITLE 26 - INTERNAL REVENUE CODE
SUBTITLE C - EMPLOYMENT TAXES
CHAPTER 24 - COLLECTION OF INCOME TAX AT SOURCE ON WAGES
Section 3401. Definitions

(a) Wages

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

(11) for services not in the course of the employer’s trade or business [public office in the U.S. government], to the extent paid in any medium other than cash; or

During the time that H.J.R. 192 supposedly was “law”, Americans had no resort to the common law remedies which had been available whenever there had been a breach of a contract (obligation) which required a payment in a particular kind of coin or currency (or, maybe, commodity). The “law” pursuant to H.J.R. 192 set aside or “suspended” the common law in regard to payments of contracts in money, or as it might be said in another way, H.J.R. 192 was very much a banker’s delight because it effectuated a suspension of redemption of all of the outstanding circulating notes as well as a newly created “legal” ability to “negotiate” checks and other money denominated securities without having to pay out lawful money, meaning gold or silver coins. Instead the Banks could discharge their fiduciary duty by offering, that is “tendering” anything that was legal tender at that time. (All of the above will be found in H.J.R. 192, Section 1).

As a point of emphasis here, H.J.R. 192 found at 48 Stat. 112-113 did not by express terms repeal any of the pre-existing common law remedies. At the most, all it did was indirectly suspend any ability to use the common law remedies for a while.

The while, as it turns out, lasted from 1933 to 1982, or almost 50 years. But upon the repeal of H.J.R. 192 all of the older common law remedies became available for use again and the Banks could not “legally” evade their fiduciary duty to pay in lawful money. But they do and have continued to avoid their duty it seems simply because no one has demanded that a Bank should pay in dollars of lawful money and has stood firm in refusing to accept those Federal Reserve notes when tendered.
You can refuse them now that H.J.R. 192 has been repealed and when you do the Bank is put into a very difficult spot. Lawfully, a Bank must pay in lawful money dollars and it is very likely that the Bank simply does not have any, or maybe not enough to transact your check. That tells you that the Bank is insolvent, A.K.A. bankrupt.

There is today a parity relationship between FRn’s and the lawful money silver dollars which is about 10 to 1 and moving upward to 12 to 1. Under the 10:1 parity a single or 1 “dollar” Federal Reserve note is actually worth only ten cents in silver coin lawful money. Go to a coin store and buy one silver dollar coin using FRn’s. You’ll learn about parity values.

2.5 You can’t “launder” money if there IS no “money”

Based on the preceding discussion, it ought to be obvious to the reader that if there is no “money” as legally defined, then there can be no such thing as “money laundering”. To even call it that is FRAUD.

3 Money Laundering Background

Money laundering is the process of changing large amounts of money that have been gained through illegitimate means. Money evidently gained through crime is "dirty" money, and money that has been "laundered" to appear as if it came from a legitimate source is "clean" money. Money can be laundered by many methods, which vary in complexity and sophistication.

Different countries may or may not treat tax evasion or payments in breach of international sanctions as money laundering. Some jurisdictions differentiate these for definition purposes, and others do not. Some jurisdictions define money laundering as obfuscating sources of money, either intentionally or by merely using financial systems or services that do not identify or track sources or destinations.

Other jurisdictions define money laundering to include money from activity that would have been a crime in that jurisdiction, even if it was legal where the actual conduct occurred. For example, under British law, spending proceeds from a bull fight in Spain constitutes money laundering because the bull fight would have been illegal if it had been conducted in the United Kingdom. This broad brush of applying money laundering to international, extraterritorial or simply privacy-seeking behaviors has led some to label it financial thoughtcrime.

Many regulatory and governmental authorities estimate each year for the amount of money laundered, either worldwide or within their national economy. In 1996, the International Monetary Fund (I.M.F.) estimated that two to five percent of the worldwide global economy involved laundered money. The Financial Action Task Force on Money Laundering (F.A.T.F.), an intergovernmental body set up to combat money laundering, stated, "Overall, it is absolutely impossible to produce a reliable estimate of the amount of money laundered and therefore the F.A.T.F. does not publish any figures in this regard."学术 commentators have likewise been unable to estimate the volume of money with any degree of assurance. Various estimates of the scale of global money laundering are sometimes repeated often enough to make some people regard them as factual—but no researcher has overcome the inherent difficulty of measuring an actively concealed practice.

Regardless of the difficulty in measurement, the amount of money laundered each year is in the billions (US dollars) and poses a significant policy concern for governments. As a result, governments and international bodies have undertaken efforts to deter, prevent, and apprehend money launderers. Financial institutions have likewise undertaken efforts to prevent and detect transactions involving dirty money, both as a result of government requirements and to avoid the reputational risk involved. Issues relating to money laundering have existed as long as there have been large scale criminal enterprises. Modern anti-money laundering laws have developed along with the so-called modern War on Drugs. In more recent times anti-money laundering legislation is seen as adjunct to the financial crime of terrorist financing in that both crimes usually involve

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9 Proceedings of Crime Act 2002, section 340(2)(b) – definition of "criminal conduct".
10 Money Laundering Is Financial Thoughtcrime.
14 For example, under UK law the first offences created for money laundering both related to the proceeds from the sale of illegal narcotics under the Criminal Justice Act 1988 and then later under the Drug Trafficking Act 1994.

The Money Laundering Enforcement Scam
the transmission of funds through the financial system (although money laundering relates to where the money has come from, and terrorist financing relating to where the money is going to).

3.1 Money Laundering Methods

Money laundering is commonly defined as occurring in three steps: the first step involves introducing cash into the financial system by some means ("placement"); the second involves carrying out complex financial transactions to camouflage the illegal source ("layering"); and the final step entails acquiring wealth generated from the transactions of the illicit funds ("integration"). Some of these steps may be omitted, depending on the circumstances; for example, non-cash proceeds that are already in the financial system would have no need for placement.15

Money laundering takes several different forms, although most methods can be categorized into one of a few types. These include "bank methods, smurfing [also known as structuring], currency exchanges, and double-invoicing".16

1. **Structuring**: Often known as *smurfing*, this is a method of placement whereby cash is broken into smaller deposits of money, used to defeat suspicion of money laundering and to avoid anti-money laundering reporting requirements. A sub-component of this is to use smaller amounts of cash to purchase bearer instruments, such as money orders, and then ultimately deposit those, again in small amounts.17
2. Bulk cash smuggling: This involves physically smuggling cash to another jurisdiction and depositing it in a financial institution, such as an *offshore bank*, with greater bank secrecy or less rigorous money laundering enforcement.18
3. Cash-intensive businesses: In this method, a business typically involved in receiving cash uses its accounts to deposit both legitimate and criminally derived cash, claiming all of it as legitimate earnings. Service businesses are best suited to this method, as such businesses have no variable costs, and it is hard to detect discrepancies between revenues and costs. Examples are parking buildings, strip clubs, *tanning beds*, and casinos.
4. Trade-based laundering: This involves under- or overvaluing *invoices* to disguise the movement of money.19
5. Shell companies and trusts: Trusts and shell companies disguise the true owner of money. Trusts and corporate vehicles, depending on the jurisdiction, need not disclose their true, beneficial, owner.20
6. **Round-tripping**: Here, money is deposited in a *controlled foreign corporation* offshore, preferably in a *tax haven* where minimal records are kept, and then shipped back as a *foreign direct investment*, exempt from taxation. A variant on this is to transfer money to a law firm or similar organization as funds on account of fees, then to cancel the retainer and, when the money is remitted, represent the sums received from the lawyers as a legacy under a will or proceeds of litigation.
7. Bank capture: In this case, money launderers or criminals buy a controlling interest in a bank, preferably in a jurisdiction with weak money laundering controls, and then move money through the bank without scrutiny.
8. Casinos: In this method, an individual walks into a casino with cash and buys chips, plays for a while, and then cashes in the chips, taking payment in a check. The money launderer then deposits the check into a bank account, claiming it as gambling winnings.21
9. Real estate: Someone purchases real estate with illegal proceeds and then sells the property. To outsiders, the proceeds from the sale look like legitimate income. Alternatively, the price of the property is manipulated: the seller agrees to a contract that underrepresents the value of the property, and receives criminal proceeds to make up the difference.22
10. Black salaries: A company may have unregistered employees without a written contract and pay them cash salaries. Black cash might be used to pay them.23
11. **Tax amnesties**: For example, those that legalize unreported assets in tax havens and cash24

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23 "Underground Economy Issues, Ontario Construction Secretariat".
24 "Tax amnesties turn HMRC into 'biggest money-laundering operation in history'": Retrieved 14 June 2013.
12. Fictional loans

3.2 **Money Laundering Enforcement**

Anti–money laundering (AML) is a term mainly used in the financial and legal industries to describe the legal controls that require financial institutions and other regulated entities to prevent, detect, and report money laundering activities. Anti–money laundering guidelines came into prominence globally as a result of the formation of the Financial Action Task Force (F.A.T.F.) and the promulgation of an international framework of anti–money laundering standards. These standards began to have more relevance in 2000 and 2001, after F.A.T.F. began a process to publicly identify countries that were deficient in their anti–money laundering laws and international cooperation, a process colloquially known as "name and shame."  

An effective AML program requires a jurisdiction to have criminalized money laundering, given the relevant regulators and police the powers and tools to investigate; be able to share information with other countries as appropriate; and require financial institutions to identify their customers, establish risk-based controls, keep records, and report suspicious activities.

3.2.1 **Criminalizing money laundering**

The elements of the crime of money laundering are set forth in the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and Convention against Transnational Organized Crime. It is defined as knowingly engaging in a financial transaction with the proceeds of a crime for the purpose of concealing or disguising the illicit origin of the property from governments.

3.2.2 **The role of financial institutions**

Today, most financial institutions globally, and many non-financial institutions, are required to identify and report transactions of a suspicious nature to the financial intelligence unit in the respective country. For example, a bank must verify a customer's identity and, if necessary, monitor transactions for suspicious activity. This is often termed as “know your customer”. This means knowing the identity of the customer and understanding the kinds of transactions in which the customer is likely to engage. By knowing one's customers, financial institutions can often identify unusual or suspicious behavior, termed anomalies, which may be an indication of money laundering.

Bank employees, such as tellers and customer account representatives, are trained in anti–money laundering and are instructed to report activities that they deem suspicious. Additionally, anti-money laundering software filters customer data, classifies it according to level of suspicion, and inspects it for anomalies. Such anomalies include any sudden and substantial increase in funds, a large withdrawal, or moving money to a bank secrecy jurisdiction. Smaller transactions that meet certain criteria may also be flagged as suspicious. For example, structuring can lead to flagged transactions. The software also flags names on government "blacklists" and transactions that involve countries hostile to the host nation. Once the software has mined data and flagged suspect transactions, it alerts bank management, who must then determine whether to file a report with the government.

3.2.3 **Value of enforcement costs and associated privacy concerns**

The financial services industry has become more vocal about the rising costs of anti–money laundering regulation and the limited benefits that they claim it brings. One commentator wrote that "[w]ithout facts, [anti-money laundering] legislation has been driven on rhetoric, driving by ill-guided activism responding to the need to be "seen to be doing something" rather than by an objective understanding of its effects on predicate crime. The social panic approach is justified by the language

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used—we talk of the battle against terrorism or the war on drugs”. The Economist magazine has become increasingly vocal in its criticism of such regulation, particularly with reference to countering terrorist financing, referring to it as a "costly failure", although it concedes that other efforts (like reducing identity and credit card fraud) may still be effective at combating money laundering.

However, there is no precise measurement of the costs of regulation balanced against the harms associated with money laundering, and given the evaluation problems involved in assessing such an issue, it is unlikely that the effectiveness of terror finance and money laundering laws could be determined with any degree of accuracy. The Economist estimated the annual costs of anti-money laundering efforts in Europe and North America at US$5 billion in 2003, an increase from US$700 million in 2000. Government-linked economists have noted the significant negative effects of money laundering on economic development, including undermining domestic capital formation, depressing growth, and diverting capital away from development. Because of the intrinsic uncertainties of the amount of money laundered, changes in the amount of money laundered, and the cost of anti–money laundering systems, it is almost impossible to tell which anti–money laundering systems work and which are more or less cost effective.

Data privacy has also been raised as a concern. A European Union (EU) working party, for example, has announced a list of 44 recommendations to better harmonize, and if necessary scale down, the money laundering laws of EU member states to comply with fundamental privacy rights. In the United States, groups such as the American Civil Liberties Union have expressed concern that money laundering rules require banks to report on their own customers, essentially conscripting private businesses "into agents of the surveillance state”.

In any event, many countries are obligated by various international instruments and standards, such as the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the Convention against Transnational Organized Crime, the United Nations Convention against Corruption, and the recommendations of the F.A.T.F. to enact and enforce money laundering laws in an effort to stop narcotics trafficking, international organized crime, and corruption. Other countries, such as Mexico, that face significant crime problems believe that anti–money laundering controls could help curb the underlying crime issue.

3.2.4 Organizations working against money laundering

Formed in 1989 by the G7 countries, the F.A.T.F. is an intergovernmental body whose purpose is to develop and promote an international response to combat money laundering. The F.A.T.F. Secretariat is housed at the headquarters of the Organization for Economic Cooperation and Development (O.E.C.D.) in Paris. In October 2001, F.A.T.F. expanded its mission to include combating the financing of terrorism. F.A.T.F. is a policy-making body that brings together legal, financial, and law enforcement experts to achieve national legislation and regulatory AML and CFT reforms. Currently its membership consists of 34 countries and territories and two regional organizations. In addition, F.A.T.F. works in collaboration with a number of international bodies and organizations. These entities have observer status with F.A.T.F., which does not entitle them to vote, but permits them full participation in plenary sessions and working groups.

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30 Money Laundering Bulletin, Issue 154, June 2008, Dr Jackie Harvey (Newcastle Business School
34 "Coming clean", The Economist, 14 October 2004.
F.A.T.F. has developed 40 recommendations on money laundering and 9 special recommendations regarding terrorist financing. F.A.T.F. assesses each member country against these recommendations in published reports. Countries seen as not being sufficiently compliant with such recommendations are subjected to financial sanctions.40

F.A.T.F.’s three primary functions with regard to money laundering are:

1. Monitoring members’ progress in implementing anti–money laundering measures.
2. Reviewing and reporting on laundering trends, techniques, and countermeasures.

The F.A.T.F. currently comprises 34 member jurisdictions and 2 regional organizations, representing most major financial centers in all parts of the globe:

- Argentina
- Australia
- Austria
- Belgium
- Brazil
- Canada
- China
- Denmark
- European Commission
- Finland
- France
- Germany
- Greece
- Gulf Co-operation Council
- Hong Kong
- Iceland
- India
- Ireland
- Italy
- Japan
- Kingdom of the Netherlands
- Luxembourg
- Mexico
- New Zealand
- Norway
- Portugal
- Republic of Korea
- Russian Federation
- Singapore
- South Africa
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

The United Nations Office on Drugs and Crime maintains the International Money Laundering Information Network, a website that provides information and software for anti-money laundering data collection and analysis. The World Bank has a website that provides policy advice and best practices to governments and the private sector on anti-money laundering issues.

4 Bank Secrecy Act Requirements

The Bank Secrecy Act of 1970 (or BSA, or otherwise known as the Currency and Foreign Transactions Reporting Act) requires financial institutions in the United States to assist U.S. government agencies to detect and prevent money laundering. Specifically, the act requires financial institutions to keep records of cash purchases of negotiable instruments, and file reports of cash purchases of these negotiable instruments of more than $10,000 (daily aggregate amount), and to report suspicious activity that might signify money laundering, tax evasion, or other criminal activities. Many banks will no longer sell negotiable instruments when they are purchased with cash, requiring the purchase to be withdrawn from an account at that institution.

The B.S.A. was originally passed by the Congress of the United States in 1970, and amended several times since then, including provisions in title III of the USA PATRIOT Act. (See 31 U.S.C. §§5311–5330 and 31 C.F.R. Chapter X.) The B.S.A. is sometimes referred to as an "anti-money laundering" law ("AML") or jointly as "BSA/AML."

4.1 Types of reports

The B.S.A. regulations require all financial institutions to submit five types of reports to the government. The following is not an exhaustive list of reports to be filed. The FBAR has an individual filing requirement, as detailed below.

1. FinCEN Form 112 (formerly Form 104) Currency Transaction Report (CTR): A CTR must be filed for each deposit, withdrawal, exchange of currency, or other payment or transfer, by, through or to a financial institution, which involves a transaction in currency of more than $10,000. Multiple currency transactions must be treated as a single transaction if the financial institution has knowledge that: (a) they are conducted by or on behalf of the same person; and, (b) they result in cash received or disbursed by the financial institution of more than $10,000.

2. FinCEN Form 105 Report of International Transportation of Currency or Monetary Instruments (CMIR): Each person (including a bank) who physically transports, mails or ships, or causes to be physically transported, mailed, shipped or received, currency, traveler's checks, and certain other monetary instruments in an aggregate amount exceeding $10,000 into or out of the United States must file a CMIR.

3. Department of the Treasury Form 90-22.1 Report of Foreign Bank and Financial Accounts (FBAR): Each person (including a bank) subject to the jurisdiction of the United States having an interest in, signature or other authority over, one or more bank, securities, or other financial accounts in a foreign country must file an FBAR if the aggregate value of such accounts at any point in a calendar year exceeds $10,000. A recent District Court case in the 10th Circuit has significantly expanded the definition of "interest in" and "other Authority".

4. Treasury Department Form 90-22.47 and OCC Form 8010-9, 8010-1 Suspicious Activity Report (SAR): Banks must file a SAR for any suspicious transaction relevant to a possible violation of law or regulation.

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43 http://www.fincen.gov/statutes_regs/bsa/
44 31 C.F.R. §1010.311 (formerly 31 C.F.R. §103.22)
46 31 C.F.R. §1010.350
48 31 C.F.R. §1020.320 (formerly 31 C.F.R. §103.21); 12 C.F.R. §12.11
5. **FinCEN Form 110 Designation of Exempt Person**: Banks must file this form to designate an exempt customer for the purpose of CTR reporting under the BSA. In addition, banks use this form biennially (every two years) to renew exemptions for eligible non-listed business and payroll customers.\(^1\)

It also requires any business receiving one or more related cash payments totaling $10,000 or more to file IRS/FinCEN Form 8300.\(^1\)

### 4.2 Affected transactions

#### 4.2.1 Currency Transaction Report (C.T.R.)

The CTR must report cash transactions in excess of $10,000 during the same business day. The amount over $10,000 can be either in one transaction or a combination of cash transactions. It is filed with the Internal Revenue Service.

Reports are limited ONLY to “trade or business” activities, which means “the functions of a public office” per 26 U.S.C. §7701(a)(26).

\[26\text{ U.S.C. } \text{§7701(a)(26)}\]

“The term ‘trade or business’ includes the performance of the functions of a public office.”

The “trade or business” they are talking about in Title 31 is exactly the same one that appears in the Internal Revenue Code, folks!

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\[Title\text{}\text{31:\ Money\text{}and\text{}Finance:\ Treasury}\]

\[PART\text{}103—FINANCIAL\text{}RECORDKEEPING\text{}AND\text{}REPORTING\text{}OF\text{}CURRENCY\text{}AND\text{}FOREIGN\text{}TRANSACTIONS\]

\[Subpart\text{}B—Reports\text{}Required\text{}To\text{}Be\text{}Made\]

\[§\text{}103.30\ Reports\text{}relating\text{}to\text{}currency\text{}in\text{}excess\text{}of\text{}$10,000\text{}received\text{}in\text{}a\text{}trade\text{}or\text{}business\text{}\]

\[(c)\text{}Meaning\text{}of\text{}terms.\text{}The\text{}following\text{}definitions\text{}apply\text{}for\text{}purposes\text{}of\text{}this\text{}section—\]

\[(11)\text{}Trade\text{}or\text{}business.\text{}The\text{}term\text{}trade\text{}or\text{}business\text{}has\text{}the\text{}same\text{}meaning\text{}as\text{}under\text{}section\text{}162\text{}of\text{}title\text{}26,\text{}United\text{}States\text{}Code.\]

Below is how we inform third parties that we are NOT subject to “currency transaction reporting” whether they are financial institutions or nonfinancial institutions, derived from Form #06.014, Section 1:

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\[Privacy\text{}Agreement,\text{}Form\text{}#06.014\]

\[Section\text{}3:\ Constraints\text{}on\text{}Financial\text{}Transaction\text{}Reporting\]

All financial transaction reporting under Title 31 of the U.S. Code has as a prerequisite that the target of the report is engaged in a “trade or business”, which is defined in 26 U.S.C. §7701(a)(26) and 31 C.F.R. §103.30 as “the functions of a public office” within the U.S. government. The recipient of this form is hereby notified that I, the Submitter of this form, am not engaged in the “trade or business” franchise and therefore cannot lawfully become the proper subject of any of the following types of transaction reporting:

1. IRS Form 8300: Currency Transaction Report
2. Treasury Form 8300: Currency Transaction Report
3. FINCEN Form 101: Suspicious Activity Report by the Securities and Futures Industries
4. FINCEN Form 102: Suspicious Activity Report by Casinos and Card Clubs
5. FINCEN Form 103: Currency Transaction Report by Casinos
6. FINCEN Form 104: Currency Transaction Report
7. FINCEN Form 105: Report of International Transportation of Currency or Monetary Instruments
8. FINCEN Form 109: Suspicious Activity Report by Money Services Business
9. Treasury Form TD F 90-22.47 - Suspicious Activity Report by Depository Institutions

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\(^1\) 31 C.F.R. §103.22(d)(3)(i).

\(^2\) 31 C.F.R. §103.22(d)(5)(i).

Those not engaged in a “trade or business” are expressly exempted from all of the above reports, per 31 U.S.C. §5331(a) and 31 C.F.R. §103.30(d)(2):

31 C.F.R. §103.30(d)(2) General

(2) Receipt of currency not in the course of the recipient’s trade or business.

The receipt of currency in excess of $10,000 by a person other than in the course of the person’s trade or business is not reportable under 31 U.S.C. 5331.

TITLE 31 ▶ SUBTITLE IV ▶ CHAPTER 53 ▶ SUBCHAPTER II ▶ § 5331
§ 5331. Reports relating to coins and currency received in nonfinancial trade or business
(a) Coin and Currency Receipts of More Than $10,000.—Any person—
(1) who is engaged in a trade or business; and
(2) who, in the course of such trade or business, receives more than $10,000 in coins or currency in 1 transaction (or 2 or more related transactions),
shall file a report described in subsection (b) with respect to such transaction (or related transactions) with the
Financial Crimes Enforcement Network at such time and in such manner as . . .

The above limitation also applies in the case of “financial institutions” found in 31 U.S.C. §5313, because the definition of “nonfinancial trade or business” implies that “financial institutions” ALSO must be engaged in a “trade or business” to have such reporting requirement:

31 U.S. Code § 5312 – Definitions and application

(a) In this subchapter—
(4) Nonfinancial trade or business.—
The term “nonfinancial trade or business” means any trade or business other than a financial institution that is subject to the reporting requirements of section 5313 and regulations prescribed under such section.

Anything NOT subject to reporting is, therefore EXCLUSIVELY private and beyond the control of or disclosure to the government. This is confirmed by the holding in California Bankers Assoc. v. Schultz, 416 U.S. 21 (1974).

“In its complaint filed in the District Court, plaintiff Security National Bank asserted that it was an “insured” national bank; to the extent that Congress has acted to require records on the part of banks insured by the Federal Deposit Insurance Corporation, or of financial institutions insured under the National Housing Act, Congress is simply imposing a condition on the spending of public funds. See, e.g., Steward Machine Co. v. Davis, 301 U.S. 548 (1937); Helvering v. Davis, 301 U. S. 619 (1937). Since there was no allegation in the complaints filed in the District Court, and since it is not contended here that any bank plaintiff is not covered by FDIC or Housing Act insurance, it is unnecessary to consider what questions would arise had Congress relied solely upon its power over interstate commerce to impose the recordkeeping requirements.

The cost burdens imposed on the banks by the recordkeeping requirements are far from unreasonable, and we hold that such burdens do not deny the banks due process of law.”
[California Bankers Assoc. v. Schultz, 416 U.S. 21 (1974)]

The above “financial institution” must ALSO be acting as an agent of the national government and therefore a PUBLIC capacity before it can be regulated or controlled or obligated in any way by Congress. To suggest otherwise is to sanction or condone violations of the Thirteenth Amendment and THEFT of PRIVATE property and services by the national government in the process of imposing such duties or services by law. See 31 C.F.R. 8202.2(a)(1). Even when acting as said agents, they may only do so in the context of handling GOVERNMENT money from people who are NOT protected by the Constitution BECAUSE they are either physically on federal territory, abroad. Otherwise, reporting would be a violation of their Fourth Amendment right of privacy violated by an agent of the government who is in fact the financial institution itself.

Even in the case of “financial institutions” described in 31 U.S.C. §5331, to be reportable, the transaction must occur within the geographical “United States” defined in 31 U.S.C. §5312(2), 31 U.S.C. §5312(b)(1)(C), and the Federal Deposit Insurance Act 64 Stat. 873, Section 3(a)(3) as federal territory not part of any Constitutional state of the Union. Neither the Submitter NOR the Recipient in this case are physically located within federal territory in the context of any and all business relations they might be engaged in. Furthermore, the Submitter is protected by the Fourth Amendment to the United States Constitution, which means that the Recipient acting as an agent of the government and reporting agent may NOT violate his/her privac by making ANY reports. These assertions are also supported by the following facts:

1. The U.S. Supreme Court has declared that Congress has no jurisdiction over anything but its own agents in states of the Union with regard to its own legislation. Neither Recipient nor Submitter are acting or may act as agents, officers, or public officers of the national government in the context of any of their interactions. It is a CRIME to act or even CLAIM to act in such a capacity for those who are NOT so lawfully doing per 18 U.S.C. §912:
It is true, that the person who accepts an office may be supposed to enter into a compact to be answerable to the government, which he serves, for any violation of his duty; and, having taken the oath of office, he would unquestionably be liable, in such case, to a prosecution for perjury in the Federal Courts.

[United States v. Worrall, 2 U.S. 384 (1798)]

SOURCE: http://scholar.google.com/scholar_case?case=333989366967439168

“It is no longer open to question that the general government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649; Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.

[Carrie v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]

2. Even if the Recipient PRESUMES or CLAIMS that it is acting as an agent of the national government, it is STILL bound by the Fourth Amendment prohibition against violations of privacy from disclosing any information about the Submitter to any government. Congress cannot through legislation claim or execute violations of the Constitution in places where it applies such as the Constitutional states of the Union, which are OUTSIDE of its legislative jurisdiction for anything other than the conduct of its own officers and agents.

"Under basic rules of construction, statutory laws enacted by legislative bodies cannot impair rights given under a constitution. 194 B.R. at 925."

[In re Young, 235 B.R. 666 (Bankr.M.D.Fla., 1999)]

3. 31 U.S.C. §5313 imposes the duty to report upon “domestic financial institutions”.

4. 31 U.S.C. §5312(b)(1) defines “domestic financial agency” and “domestic financial institution” as one that is in the geographical "United States".

5. NOWHERE in Title 31 of the U.S. Code is the geographical “United States” EVER expressly defined to include areas under the exclusive jurisdiction of Constitutional states of the Union and/or protected by the Constitution. The Constitution does NOT, on the other hand, apply on federal territory where 31 U.S.C. §5313 exclusively applies. See Downes v. Bidwell, 182 U.S. 244 (1901).

6. The term “State” is defined in 4 U.S.C. §8110(d) to mean federal territories by default for ALL federal statutes.

7. Per the rules of statutory construction, the Recipient may NOT PRESUME that anything not expressly identified such as Constitutional States of the Union, are included in the geographical definition of “United States” in Title 31:

“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325; Newblock v. Bowles, 170 Okt. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”


“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term”); Colautt v. Franklin, 439 U.S. at 392-393, n. 10 (“As a rule, a definition which declares what a term “means” . . . excludes any meaning that is not stated”); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General’s restriction — “the child up to the head.” Its words, “substantial portion,” indicate the contrary.

[Steinberg v. Carhart, 530 U.S. 914 (2000)]

8. Judges are NOT legislators and therefore CANNOT add to the statutory definitions expressly provided. It is therefore a violation of the separation of powers and a usurpation for you to try to quote any judge or ruling that attempts to expand upon the statutory definitions provided. Don’t therefore even TRY to quote a court case to support the expansion of the meaning of “United States” in response to this submission.

If the Recipient believes that they are a “domestic financial institution” as defined above and that they are in the statutory “United States”, they have the burden of proving so with court admissible evidence signed under penalty of perjury submitted to the Submitter within ten days of receipt of this document. If they do not provide said legally admissible evidence, then they agree to be estopped thereafter from submitting such evidence or disputing the definition of “United States” described here in any litigation that may happen after that date between the two parties.

If Recipient of this form believes that the Submitter is engaged in a “trade or business,” he or she is demanded to rebut the following resources proving that the Submitter is not IN WRITING within 10 days of receipt of this document or forever be estopped from later challenging this fact.

1. Demand for Verified Evidence of “Trade or Business” Activity: Currency Transaction Report (CTR), Form #04.008 http://sedm.org/Forms/FormIndex.htm

2. The “Trade or Business” Scam, Form #05.001
If Recipient of this form does not rebut the above in writing within the timeframe allotted and files any of the forms indicated above against the Submitter without rebuting the above information, this form constitutes their consent to a contract:

1. To correct all prior reports filed against Submitter because they are FALSE, FRAUDULENT, and constitute criminal identity theft as described in Government Identity Theft, Form #05.046; https://sedm.org/Forms/05-MemLawGovernmentIdentityTheft.pdf.
2. To pay Submitter a penalty of the entire amount reported to the Submitter of this form within 30 days.
3. To pay Submitter all legal fees needed to recover the penalty owed.

[Privacy Agreement, Form #06.014; SOURCE: https://sedm.org/Forms/FormIndex.htm]

4.2.2 Monetary Instrument Log (M.I.L.)

The MIL must indicate cash purchases of monetary instruments, such as money orders, cashier’s checks and traveler’s checks, in value totaling $3,000 to $10,000, inclusive. This form is required to be kept on record at the financial institution, and produced at the request of examiners or audit to verify compliance. A financial institution must maintain a Monetary Instrument Log for five years.

4.2.3 Suspicious Activity Report (S.A.R.)

The Suspicious Activity Report (S.A.R.) must report any cash transaction where the customer seems to be trying to avoid B.S.A. reporting requirements by not filing CTR or MIL, for example. A SAR must also be filed if the customer's actions suggest that he is laundering money or otherwise violating federal criminal laws and committing wire transfer fraud, check fraud or mysterious disappearances. The bank should not let the customer know that a SAR is being filed. These reports are filed with the Financial Crimes Enforcement Network ("FinCEN").

4.3 Sanctions

There are heavy penalties for individuals and institutions that fail to file CTRs, MILs, or SARs. There are also penalties for a bank which discloses to its client that it has filed a SAR about the client. Penalties include heavy fines and prison sentences.

4.4 How the BSA affects Americans

CTRs include the individual's bank account number, name, address, and social security number. The Social Security Number is only provided if the subject HAS one. If the subject of the report does NOT have one, it is a crime to compel them to obtain one in violation of 42 U.S.C. §408(a)(8). For details, see:

1. Section 6 later.
2. Why It is Illegal for me to Request or Use a Taxpayer Identification Number, Form #04.205 http://sedm.org/Forms/FormIndex.htm

SAR reports, required when transactions indicate behavior designed to elude CTRs (or many other types of suspicious activities), include somewhat more detailed information and usually include investigation efforts on the part of the financial institution to assess the validity or nature of the transactions. A single CTR filed for a client's account is usually of no concern to the authorities, while multiple CTRs from varying institutions or a SAR suggest that activity may be suspicious. A financial institution is not allowed to inform a business or consumer that a SAR is being filed, and all the reports mandated by the B.S.A. are exempt from disclosure under the Freedom of Information Act (F.O.I.A.).

Businesses that deal primarily in cash, such as bars and restaurants, can be exempted from having their deposits and withdrawals reported on CTRs, although this exemption is rarely granted. Instead, most banks have computer systems which retain information on CTRs and allow duplicate CTRs to be created seamlessly.

4.5 Individual filing requirement

Statutory “U.S. citizens” per 8 U.S.C. §1401, meaning public officers within the national government and not state citizens, must file the FBAR if they have a financial interest in, or authority over, foreign bank accounts that have an aggregate value
of $10,000 at any point in a year. Additionally, they must report the accounts on Schedule B of the IRS Form 1040 tax form. The FBAR should be filed separately with the U.S. Treasury by June 30 of each year.

For exhaustive details on why those domiciled within a constitutional state are NOT STATUTORY “U.S. citizens”, see:

**Why You are a "national", "state national", and Constitutional but not Statutory Citizen, Form #05.006**
http://sedm.org/Forms/FormIndex.htm

### 4.6 Additional information

An entire industry has developed around providing software to analyze transactions in an attempt to identify transactions or patterns of transactions called **structuring**, which requires SAR filing. Financial institutions are subject to penalties for failing to properly file CTRs and SARs, such as heavy fines and regulatory restrictions, including charter revocation.

These software applications effectively monitor customer transactions on a daily basis, and using a customer's past transactions and account profile, provide a "whole picture" of the customer to the bank management. Transaction monitoring can include cash deposits and withdrawals, wire transfers and Automated Clearing House (A.C.H.) activity. In the banking industry, these applications are known as "BSA software" or "anti-money laundering software".

### 4.7 Notable cases

In 1998, the Supreme Court ruled in United States v. Bajakajian that the government may not confiscate any money from an individual for failure to report it on a CMIR, as such punishment would be "grossly disproportional to the gravity of [the] offense" and thus unconstitutional under the Excessive Fines clause of the Eighth Amendment.

In 2011 the Observer reported that Wachovia, at one time a major US bank, was implicated in laundering money for Mexican drug lords, through its lax laundering controls, a violation of the Bank Secrecy Act. It moved money in and out of *casas de cambio* without proper due diligence.\(^5^3\)

### 5 Patriot Act Requirements

The USA PATRIOT Act of 2001 is an Act of Congress that was signed into law by President George W. Bush on October 26, 2001. The title of the act is a ten-letter acronym (USA PATRIOT) that stands for Uniting (and) Strengthening America (by) Providing Appropriate Tools Required (to) Intercept (and) Obstruct Terrorism Act of 2001.\(^5^4\) It is commonly referred to as the Patriot Act.

On May 26, 2011, President Barack Obama signed the PATRIOT Sunsets Extension Act of 2011,\(^5^5\) a four-year extension of three key provisions in the USA PATRIOT Act:\(^5^6\) roving wiretaps, searches of business records (the "library records provision"), and conducting surveillance of "lone wolves"—individuals suspected of terrorist-related activities not linked to terrorist groups.\(^5^7\)

### 5.1 Details

From broad concern felt among Americans from both the September 11 attacks and the 2001 anthrax attacks, Congress rushed to pass legislation to strengthen security controls. On October 23, 2001, Republican Rep. Jim Sensenbrenner introduced H.R. 3162 incorporating provisions from a previously sponsored House bill and a Senate bill also introduced earlier in the month.\(^5^8\)

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52 FAQs Regarding Report of Foreign Bank and Financial Accounts (FBAR) – Filing Requirements; IRS Publication 4261
The next day on October 24, 2001, the Act passed the House 357 to 66, with Democrats comprising the overwhelming portion of dissent. The following day, on October 25, 2001, the Act passed the Senate by 98 to 1.

Opponents of the law have criticized its authorization of indefinite detentions of immigrants; the permission given law enforcement officers to search a home or business without the owner’s or the occupant’s consent or knowledge; the expanded use of National Security Letters, which allows the Federal Bureau of Investigation (F.B.I.) to search telephone, e-mail, and financial records without a court order; and the expanded access of law enforcement agencies to business records, including library and financial records. Since its passage, several legal challenges have been brought against the act, and Federal courts have ruled that a number of provisions are unconstitutional.

Many provisions of the act were to sunset beginning December 31, 2005, approximately 4 years after its passage. In the months preceding the sunset date, supporters of the act pushed to make its sunsetting provisions permanent, while critics sought to revise various sections to enhance civil liberty protections. In July 2005, the U.S. Senate passed a reauthorization bill with substantial changes to several sections of the act, while the House reauthorization bill kept most of the act's original language. The two bills were then reconciled in a conference committee that was criticized by Senators from both the Republican and Democratic parties for ignoring civil liberty concerns.

The bill, which removed most of the changes from the Senate version, passed Congress on March 2, 2006, and was signed into law by President George W. Bush on March 9 and 10, 2006.

5.2 Background

The PATRIOT Act has made a number of changes to U.S. law. Key acts changed were the Foreign Intelligence Surveillance Act of 1978 (FISA), the Electronic Communications Privacy Act of 1986 (ECPA), the Money Laundering Control Act of 1986 and Bank Secrecy Act (BSA), as well as the Immigration and Nationality Act. The Act itself came about after the September 11th attacks on New York City and the Pentagon. After these attacks, Congress immediately started work on several proposed antiterrorist bills, before the Justice Department finally drafted a bill called the Anti-Terrorism Act of 2001. This was introduced to the House as the Provide Appropriate Tools Required to Intercept and Obstruct Terrorism (PATRIOT) Act of 2001, and was later passed by the House as the Uniting and Strengthening America (USA) Act (H.R. 2975) on October 12. It was then introduced into the Senate as the USA Act (S. 1510) where a number of amendments were proposed by Senator Russ Feingold, all of which were passed. The final bill, the USA PATRIOT Act was introduced into the House on October 23 and incorporated H.R. 2975, S. 1510 and many of the provisions of H.R. 3004 (the Financial Anti-Terrorism Act). It was vehemently opposed by only one Senator, Russ Feingold, who was the only Senator to vote against the bill. Senator Patrick Leahy also expressed some concerns. However, many parts were seen as necessary by both detractors and supporters. The final Act included a number of sunsets which were to expire on December 15, 2005.

62 Full Text of Enrolled Bill H.R. 3162, GovTrack.us
63 H.R. 2975, THOMAS.
64 S. 1510, THOMAS.
65 2001 Congressional Record, Vol. 147, Page S11020 (October 25, 2001); 2001 Congressional Record, Vol. 147, Page S11021 (October 25, 2001); 2001 Congressional Record, Vol. 147, Page S11022 (October 25, 2001); H.R. 3162, THOMAS.
66 H.R. 3162.
Due to its controversial nature, a number of bills - none of which were passed - were proposed to amend the USA PATRIOT Act. These included the Protecting the Rights of Individuals Act,69 the Benjamin Franklin True Patriot Act,70 and the Security and Freedom Ensured Act (SAFE).71 In late January 2003, the founder of the Center for Public Integrity, Charles Lewis, published a leaked draft copy of an Administration proposal titled the Domestic Security Enhancement Act of 2003.72 This highly controversial document was quickly dubbed "PATRIOT II" or "Son of PATRIOT" by the media and organizations such as the Electronic Frontier Foundation.73 The draft, which was circulated to 10 divisions of the Department of Justice,74 proposed to make further extensive modifications to extend the USA PATRIOT Act.75 It was widely condemned, although the Department of Justice claimed that it was only a draft and contained no further proposals.76

5.3 Titles

5.4 Title III: Anti-money-laundering to prevent terrorism

Title III of the Act, titled "International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001," is intended to facilitate the prevention, detection and prosecution of international money laundering and the financing of terrorism. It primarily amends portions of the Money Laundering Control Act of 1986 (MLCA) and the Bank Secrecy Act of 1970 (BSA). It was divided into three subtitles, with the first dealing primarily with strengthening banking rules against money laundering, especially on the international stage. The second attempts to improve communication between law enforcement agencies and financial institutions, as well as expanding record keeping and reporting requirements. The third subtitle deals with currency smuggling and counterfeiting, including quadrupling the maximum penalty for counterfeiting foreign currency.

The first subtitle tightened the record keeping requirements for financial institutions, making them record the aggregate amounts of transactions processed from areas of the world where money laundering is a concern to the U.S. government. It also made institutions put into place reasonable steps to identify beneficial owners of bank accounts and those who are authorized to use or route funds through payable-through accounts.77 The U.S. Treasury was charged with formulating regulations intended to foster information sharing between financial institutions to prevent money-laundering.78 Along with expanding record keeping requirements it put new regulations into place to make it easier for authorities to identify money laundering activities and to make it harder for money launderers to mask their identities.79 If money laundering was uncovered, the subtitle legislated for the forfeiture of assets of those suspected of doing the money laundering.80 In an effort to encourage institutions to take steps that would reduce money laundering, the Treasury was given authority to block mergers of bank holding companies and banks with other banks and bank holding companies that had a bad history of preventing money laundering. Similarly, mergers between insured depository institutions and non-insured depository institutions that have a bad track record in combating money-laundering could be blocked.81

Restrictions were placed on accounts and foreign banks. It prohibited shell banks that are not an affiliate of a bank that has a physical presence in the U.S. or that are not subject to supervision by a banking authority in a non-U.S. country. It also prohibits or restricts the use of certain accounts held at financial institutions.82 Financial institutions must now undertake

69 OMAS, S.1552.
70 H.R. 3171, THOMAS.
71 S.1709, THOMAS.
72 PBS (February 7, 2007), Now with Bill Movers, transcript.
76 United States Department of Justice (February 7, 2007), Statement of Barbara Comstock, Director of Public Affairs.
77 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 311.
78 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 314.
79 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 317.
80 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 312, 313, 319 & 325.
81 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 327.
82 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 313.
steps to identify the owners of any privately owned bank outside the U.S. who have a correspondent account with them, along
with the interests of each of the owners in the bank. It is expected that additional scrutiny will be applied by the U.S. institution
to such banks to make sure they are not engaging in money laundering. Banks must identify all the nominal and beneficial
owners of any private bank account opened and maintained in the U.S. by non-U.S. citizens. There is also an expectation that
they must undertake enhanced scrutiny of the account if it is owned by, or is being maintained on behalf of, any senior
political figure where there is reasonable suspicion of corruption. Any deposits made from within the U.S. into foreign
banks are now deemed to have been deposited into an interbank account the foreign bank may have in the U.S. Thus any
restraining order, seizure warrant or arrest warrant may be made against the funds in the interbank account held at a U.S.
financial institution, up to the amount deposited in the account at the foreign bank. Restrictions were placed on the use of
internal bank concentration accounts because such accounts do not provide an effective audit trail for transactions, and this
may be used to facilitate money laundering. Financial institutions are prohibited from allowing clients to specifically direct
them to move funds into, out of, or through a concentration account, and they are also prohibited from informing their clients
about the existence of such accounts. Financial institutions are not allowed to provide any information to clients that may
identify such internal accounts. Financial institutions are required to document and follow methods of identifying where the
funds are for each customer in a concentration account that co-mingles funds belonging to one or more customers.

The definition of money laundering was expanded to include making a financial transaction in the U.S. in order to commit a
violent crime, the bribery of public officials and fraudulent dealing with public funds; the smuggling or illegal export of
controlled munition and the importation or bringing in of any firearm or ammunition not authorized by the U.S. Attorney
General and the smuggling of any item controlled under the Export Administration Regulations. It also includes any
offense where the U.S. would be obligated under a mutual treaty with a foreign nation to extradite a person, or where the U.S.
would need to submit a case against a person for prosecution because of the treaty; the import of falsely classified goods;
computer crime, and any felony violation of the Foreign Agents Registration Act of 1938. It also allows the forfeiture of
any property within the jurisdiction of the United States that was gained as the result of an offense against a foreign nation
that involves the manufacture, importation, sale, or distribution of a controlled substance. Foreign nations may now seek to
have a forfeiture or judgment notification enforced by a district court of the United States. This is done through new
legislation that specifies how the U.S. government may apply for a restraining order to preserve the availability of property
which is subject to a foreign forfeiture or confiscation judgment. In taking into consideration such an application, emphasis
is placed on the ability of a foreign court to follow due process. The Act also requires the Secretary of Treasury to take all
reasonable steps to encourage foreign governments make it a requirement to include the name of the originator in wire transfer
instructions sent to the United States and other countries, with the information to remain with the transfer from its origin.
until the point of disbursement. The Secretary was also ordered to encourage international cooperation in investigations of money laundering, financial crimes, and the finances of terrorist groups.

The Act also introduced criminal penalties for corrupt officialdom. An official or employee of the government who acts corruptly—as well as the person who induces the corrupt act—in the carrying out of their official duties will be fined by an amount that is not more than three times the monetary equivalent of the bribe in question. Alternatively they may be imprisoned for not more than 15 years, or they may be fined and imprisoned. Penalties apply to financial institutions who do not comply with an order to terminate any corresponding accounts within 10 days of being so ordered by the Attorney General or the Secretary of Treasury. The financial institution can be fined $10,000 for each day the account remains open after the 10 day limit has expired.

The second annotation made a number of modifications to the B.S.A. in an attempt to make it harder for money launderers to operate and easier for law enforcement and regulatory agencies to police money laundering operations. One amendment made to the B.S.A. was to allow the designated officer or agency who receives suspicious activity reports to notify U.S. intelligence agencies. A number of amendments were made to address issues related to record keeping and financial reporting. One measure was a new requirement that anyone who does business file a report for any coin and foreign currency receipts that are over US$10,000 and made it illegal to structure transactions in a manner that evades the BSA’s reporting requirements. To make it easier for authorities to regulate and investigate anti-money laundering operations Money Services Businesses (M.S.B.s)—those who operate informal value transfer systems outside of the mainstream financial system—were included in the definition of a financial institution. The B.S.A. was amended to make it mandatory to report suspicious transactions and an attempt was made to make such reporting easier for financial institutions. FinCEN was made a bureau of the United States Department of Treasury and the creation of a secure network to be used by financial institutions to report suspicious transactions and to provide alerts of relevant suspicious activities was ordered. Along with these reporting requirements, a considerable number of provisions relate to the prevention and prosecution of money-laundering. Financial institutions were ordered to establish anti-money laundering programs and the B.S.A. was amended to better define anti-money laundering strategy. Also increased were civil and criminal penalties for money laundering and the introduction of penalties for violations of geographic targeting orders and certain record-keeping requirements. A number of other amendments to the B.S.A. were made through subtitle B, including granting the Board of Governors of the Federal Reserve System power to authorize personnel to act as law enforcement officers to protect the premises, grounds, property and personnel of any U.S. National reserve bank and allowing the Board to delegate this authority to U.S. Federal reserve bank. Another measure instructed United States Executive Directors of international financial institutions to use their voice and vote to support any country that has taken action to support the U.S.’s War on Terrorism. Executive Directors are now required to provide ongoing auditing of disbursements made from their institutions to ensure that no funds are paid to persons who commit, threaten to commit, or support terrorism.

The third subtitle deals with currency crimes. Largely because of the effectiveness of the BSA, money launderers had been avoiding traditional financial institutions to launder money and were using cash-based businesses to avoid them. A new effort was made to stop the laundering of money through bulk currency movements, mainly focusing on the confiscation of criminal

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98 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 328.
99 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 330.
100 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle A, Sec. 319.
101 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 356.
102 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 365.
103 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 359.
104 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 352, 354 & 365.
105 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 361.
106 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 362.
107 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 352.
108 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 354.
109 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 353.
110 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 364.
111 USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle B, Sec. 360.
proceeds and the increase in penalties for money laundering. Congress found that a criminal offense of merely evading the reporting of money transfers was insufficient and decided that it would be better if the smuggling of the bulk currency itself was the offense. Therefore, the B.S.A. was amended to make it a criminal offense to evade currency reporting by concealing more than US$10,000 on any person or through any luggage, merchandise or other container that moves into or out of the U.S. The penalty for such an offense is up to 5 years imprisonment and the forfeiture of any property up to the amount that was being smuggled.\textsuperscript{112} It also made the civil and criminal penalty violations of currency reporting cases\textsuperscript{113} be the forfeiture of all a defendant's property that was involved in the offense, and any property traceable to the defendant.\textsuperscript{114} The Act prohibits and penalizes those who run unlicensed money transmitting businesses.\textsuperscript{115} In 2005, this provision of the USA PATRIOT Act was used to prosecute Yehuda Abraham for helping to arrange money transfers for British arms dealer Hermant Lakhanvi, who was arrested in August 2003 after being caught in a government sting. Lakhanvi had tried to sell a missile to an FBI agent posing as a Somali militant.\textsuperscript{116} The definition of counterfeiting was expanded to encompass analog, digital or electronic image reproductions, and it was made an offense to own such a reproduction device. Penalties were increased to 20 years imprisonment.\textsuperscript{117} Money laundering "unlawful activities" was expanded to include the provision of material support or resources to designated foreign terrorist organizations.\textsuperscript{118} The Act specifies that anyone who commits or conspires to undertake a fraudulent activity outside the jurisdiction of the United States, and which would be an offense in the U.S., will be prosecuted under 18 U.S.C. §1029, which deals with fraud and related activity in connection with access devices.\textsuperscript{119}

\section{Federal Transaction Reporting SCAM}

When you attempt to execute a financial transaction at your local bank, you will likely at some point or another encounter a situation where you will be told that your bank is required by federal law to report your transaction to the federal government because it exceeds $3,000 in value. The bank will tell you that this is a requirement imposed by the Bank Secrecy Act (BSA). This article will clearly show that the Bank Secrecy Act, like the Internal Revenue Code, only applies on federal property and inside the federal zone and only to those engaged in a "trade or business" which in all cases is synonymous ONLY with a public office. This article will give you facts and cites to provide to your bank to refute their erroneous claim that the federal government has a right within the sovereign 50 states to invade your privacy and require you to be a witness against yourself (in violation of the Fifth Amendment) by reporting your financial transactions to the federal government.

Article 1, Section 8 of the U.S. Constitution gives the federal government two specific powers relating to money. The Congress shall have the Power...

\begin{itemize}
\item Article 1, Section 8, Clause 5: To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;
\item Article 1, Section 8, Clause 2: To borrow Money on the credit of the United States;
\end{itemize}

The statutes which derive from the above powers related to transaction reporting by financial institutions are summarized below. You will note that these reporting requirements exceed the powers granted explicitly in the constitution to the U.S. government and are therefore questionable in their delegated authority from the beginning:

\begin{itemize}
\item Title 31 Money Money and Finance, Chapter 35, Subchapter II: Records and Reports on Monetary Instruments and Transactions
\item 31 U.S.C. Sec. 5313. - Reports on domestic coins and currency transactions
\item 31 U.S.C. Sec. 5314. - Records and reports on foreign financial agency transactions
\item 31 U.S.C. Sec. 5315. - Reports on foreign currency transactions
\end{itemize}

\textsuperscript{112} USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle C, Sec. 371.


\textsuperscript{114} USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle C, Sec. 372. Amended 31 U.S.C. §5317(c).


\textsuperscript{118} USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle C, Sec. 376. Amended 18 U.S.C. §1956(c)(7)(D).

\textsuperscript{119} USA PATRIOT Act (U.S. H.R. 3162, Public Law 107-56), Title III, Subtitle C, Sec. 377.
With all of the above in mind, now lets examine the jurisdiction of the federal courts to enforce these laws within a constitutional state of the Union. 40 U.S.C. §§3111 and 3112 are the method by which the federal government acquires legislative jurisdiction over specific land that is NOT federal territory or which is ceded to it. Until such jurisdiction is accepted IN WRITING, it is presumed to NOT exist. Earlier versions of these two sections stated the truth plainly on this subject as follows but later versions were obfuscated to conceal this reality.

TITLE 40 > CHAPTER 3 > Sec. 255.

Sec. 255. - Approval of title prior to Federal land purchases; payment of title expenses; application to Tennessee Valley Authority; Federal jurisdiction over acquisitions

Unless the Attorney General gives prior written approval of the sufficiency of the title to land for the purpose for which the property is being acquired by the United States, public money may not be expended for the purchase of the land or any interest therein.

The Attorney General may delegate his responsibility under this section to other departments and agencies, subject to his general supervision and in accordance with regulations promulgated by him.

Any Federal department or agency which has been delegated the responsibility to approve land titles under this section may request the Attorney General to render his opinion as to the validity of the title to any real property or interest therein, or may request the advice or assistance of the Attorney General in connection with determinations as to the sufficiency of titles.

Except where otherwise authorized by law or provided by contract, the expenses of procuring certificates of titles or other evidences of title as the Attorney General may require may be paid out of the appropriations for the acquisition of land or out of the appropriations made for the contingencies of the acquiring department or agency.

The foregoing provisions of this section shall not be construed to affect in any manner any existing provisions of law which are applicable to the acquisition of lands or interests in land by the Tennessee Valley Authority.

Notwithstanding any other provision of law, the obtaining of exclusive jurisdiction in the United States over lands or interests therein which have been or shall hereafter be acquired by it shall not be required; but the head or other authorized officer of any department or independent establishment or agency of the Government may, in such cases and at such times as he may deem desirable, accept or secure from the State in which any lands or interests therein under his immediate jurisdiction, custody, or control are situated, consent to or cession of such jurisdiction, exclusive or partial, not theretofore obtained, over any such lands or interests as he may deem desirable and indicate acceptance of such jurisdiction on behalf of the United States by filing a notice of such acceptance with the Governor of such State or in such other manner as may be prescribed by the laws of the State where such lands are situated. Unless and until the United States has accepted jurisdiction over lands hereafter to be acquired as aforesaid, it shall be conclusively presumed that no such jurisdiction has been accepted.

Now if we look at the definition of "State" within the context of the jurisdiction of the federal courts, we find the following in 28 U.S.C. §1332(d):

TITLE 28 > PART IV > CHAPTER 85 > Sec. 1332.

Sec. 1332. - Diversity of citizenship; amount in controversy; costs

(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $75,000, exclusive of interest and costs, and is between -

(1) citizens of different States;

(2) citizens of a State and citizens or subjects of a foreign state;

(3) citizens of different States and in which citizens or subjects of a foreign state are additional parties; and

(4) a foreign state, defined in section 1603(a) of this title, as plaintiff and citizens of a State or of different States.

For the purposes of this section, section 1335, and section 1441, an alien admitted to the United States for permanent residence shall be deemed a citizen of the State in which such alien is domiciled.
(b) Except when express provision thereof is otherwise made in a statute of the United States, where the plaintiff who files the case originally in the Federal courts is finally adjudged to be entitled to recover less than the sum or value of $75,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of interest and costs, the district court may deny costs to the plaintiff and, in addition, may impose costs on the plaintiff.

(c) For the purposes of this section and section 1441 of this title -

(1) a corporation shall be deemed to be a citizen of any State by which it has been incorporated and of the State where it has its principal place of business, except that in any direct action against the insurer of a policy or contract of liability insurance, whether incorporated or unincorporated, to which action the insured is not joined as a party-defendant, such insurer shall be deemed a citizen of the State of which the insured is a citizen, as well as of any State by which the insurer has been incorporated and of the State where it has its principal place of business; and

(2) the legal representative of the estate of a decedent shall be deemed to be a citizen only of the same State as the decedent, and the legal representative of an infant or incompetent shall be deemed to be a citizen only of the same State as the infant or incompetent.

(d) The word "States", as used in this section, includes the Territories, the District of Columbia, and the Commonwealth of Puerto Rico.

Note in the above that the sovereign 50 states of the union of states are not "States" as defined above, they are "foreign states". Let's examine this "foreign state" concept further. What follows is a definition of the term "foreign state" right out of Title 28, which is the title that regulates the authority of the Judiciary. We have boldface underlined the portion of the cite that shows that sovereign states of the union of states are "foreign states":

TITLE 28 > PART IV > CHAPTER 97 > Sec. 1603.
Sec. 1603. - Definitions

For purposes of this chapter -

(a) A "foreign state", except as used in section 1608 of this title, includes a political subdivision of a foreign state or an agency or instrumentality of a foreign state as defined in subsection (b).

(b) An "agency or instrumentality of a foreign state" means any entity -

(1) which is a separate legal person, corporate or otherwise, and

(2) which is an organ of a foreign state or political subdivision thereof, or a majority of whose shares or other ownership interest is owned by a foreign state or political subdivision thereof, and

(3) which is neither a citizen of a State of the United States as defined in section 1332 (c) and (d) of this title, nor created under the laws of any third country.

(c) The "United States" includes all territory and waters, continental or insular, subject to the jurisdiction of the United States.

The federal courts therefore have no jurisdiction inside of "foreign states" defined above, which means in the 50 states and outside the federal zone, unless the parties on both sides of the dispute meet the jurisdictional requirements of 28 U.S.C. §1332. These conclusions are consistent with Article 1, Section 8, Clause 17 of the Constitution, which gives exclusive legislative jurisdiction to the federal government only within the District of Columbia and areas within the "foreign states", that is the 50 states, specifically ceded by the respective state government to the federal government.

Once we understand the jurisdictional limitations of the federal government, then we can examine all federal legislation it passes with the assumption that it only applies within this limited jurisdiction, unless a contrary intent is clearly communicated:

"A canon of construction which teaches that of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States." [U.S. v. Speier, 338 U.S. 217 at 222 (1949)]
If all that isn’t enough for you, consider that there are only two types of currency transactions that are reportable under Title 31 of the United States Code and both involve STATUTORY “persons” engaged in a STATUTORY “trade or business” in the STATUTORY “United States” (government). The STATUTORY term “trade or business” as used in Title 31 of the U.S. Code has exactly the same meaning as that used in the Internal Revenue Code (IRC):

Title 31: Money and Finance: Treasury
PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS
Subpart B—Reports Required To Be Made
§ 103.30 Reports relating to currency in excess of $10,000 received in a trade or business.

(11) Trade or business. The term trade or business has the same meaning as under section 162 of title 26, United States Code.

The Internal Revenue Code, 26 U.S.C. §162 then defines “trade or business” by building on the definition found in 26 U.S.C. 7701(a)(26), which is only the “functions of a public office”:

26 U.S.C. §7701(a)(26)

“The term 'trade or business' includes the performance of the functions of a public office.”

Below are the only two types of currency transactions that require reporting under Title 31 of the U.S. Code:

1. Transactions involving a person engaged in a “trade or business”. See 31 C.F.R. §103.30(d)(2). Which says:

31 C.F.R. §103.30(d)(2) General

(2) Receipt of currency not in the course of the recipient's trade or business. The receipt of currency in excess of $10,000 by a person other than in the course of the person’s trade or business is not reportable under 31 U.S.C. §531.

2. Transactions involving a person engaged in a “non-financial trade or business”. These transactions are a subset of those involving a “trade or business” above. See 31 U.S.C. §5331 below for the only types of reportable “nonfinancial trade or business” activity. Notice that financial activity not associated with a “trade or business” is not included:

TITLE 31 > SUBTITLE IV > CHAPTER 53 > SUBCHAPTER II > § 5331
§ 5331. Reports relating to coins and currency received in nonfinancial trade or business

(a) Coin and Currency Receipts of More Than $10,000.—Any person—
(1) who is engaged in a trade or business; and
(2) who, in the course of such trade or business, receives more than $10,000 in coins or currency in 1 transaction (or 2 or more related transactions),
shall file a report described in subsection (b) with respect to such transaction (or related transactions) with the Financial Crimes Enforcement Network at such time and in such manner as the Secretary may, by regulation, prescribe.

Both of the above have as a prerequisite a “trade or business”. The term “nonfinancial trade or business” is based on the term “trade or business” defined earlier as follows:

TITLE 31 > SUBTITLE IV > CHAPTER 53 > SUBCHAPTER II > § 5312
§ 5312. Definitions and application

(4) Nonfinancial trade or business.— The term “nonfinancial trade or business” means any trade or business other than a financial institution that is subject to the reporting requirements of section 5313 and regulations prescribed under such section.

Consequently, the only people who any financial institutions WITHIN the federal zone must make any kind of currency report for is an elected or appointed officer of the United States Government, which is what a “public office” is. Financial institutions not within the federal zone need not make any currency transaction reports at all, even if they are dealing with elected or appointed officers of the United States government!
As a result of the analysis above, if you are conducting a transaction that your financial institution thinks needs to be reported, please demand proof from them that you are engaged in a "trade or business" FIRST, and show them the definition of "trade or business" before they answer the question. As a matter of fact, show them this article and ask them to rebut it!

If you would like to learn more about the VERY LIMITED jurisdiction of federal courts within constitutional states of the Union, see:

1. Federal Jurisdiction, Form #05.018
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
2. Federal Enforcement Authority within States of the Union, Form #05.032
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
3. Challenging Federal Jurisdiction, Form #12.010
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
4. Authorities on Jurisdiction of Federal Courts, Family Guardian Fellowship
   [http://famguardian.org/Subjects/LawAndGovt/ChallJurisdiction/AuthoritiesArticle/AuthOnJurisdiction.htm](http://famguardian.org/Subjects/LawAndGovt/ChallJurisdiction/AuthoritiesArticle/AuthOnJurisdiction.htm)

### 7 Authorities on Compelled or Mandatory Use of SSNs/TINs

The following subsections will provide authorities on the compelled use of Social Security Numbers and Taxpayer Identification Numbers. For further details on this subject, see:

*About SSNs and TINs on Government Forms and Correspondence, Form #05.012*
[http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)

#### 7.1 Compelled use forbidden by Privacy Act

The Privacy Act forbids compelled use of SSNs. Those demanding numbers must disclose BOTH whether the disclosure is MANDATORY or VOLUNTARY, and the statute that makes it mandatory IN YOUR CASE and based on YOUR SPECIFIC STATUS:

*Disclosure of Social Security Number*

Section 7 of Pub. L. 93–579 provided that:

"(a)(1) It shall be unlawful for any Federal, State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number."

(2) the [The] provisions of paragraph (1) of this subsection shall not apply with respect to— "

(A) any disclosure which is required by Federal statute, or "

(B) the disclosure of a social security number to any Federal, State, or local agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to such date to verify the identity of an individual."

(b) Any Federal, State, or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it."


#### 7.2 Burden of Proof on Those Compelling Use

5 U.S.C. §552a Legislative Notes and Section 7(b) of the Privacy Act, Pub.L. 93-579 provide that those demanding government identifying numbers MUST meet the following burden of proof:
(b) Any Federal, State, or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.”


Implicit in the above requirement is that:

1. You must be a statutory “taxpayer” subject to the provision of the I.R.C. cited. If you are NOT a statutory “taxpayer” per 26 U.S.C. §7701(a)(14), then no provision of the I.R.C. applies to you, including 26 U.S.C. §§6039 or 6039E.

   “Revenue Laws relate to taxpayers [officers, employees, and elected officials of the Federal Government] and not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the Federal Government]. The latter are without their scope. No procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law. With them[non-taxpayers] Congress does not assume to deal and they are neither of the subject nor of the object of federal revenue laws.”

   [Economy Plumbing & Heating v. U.S., 470 F2d. 585 (1972)]

2. You must have the statutory STATUS associated with the requirement. For instance, 26 C.F.R. §301.6109-1 describes only statutory “U.S. persons” per 26 U.S.C. §7701(a)(30) and “nonresident alien individuals” engaged in the “trade or business” franchise. If you are neither a “U.S. person” nor a “nonresident alien individual”, then this provision also does not mandate disclosure of any number. Example: A “nonresident alien” NON-individual.

3. The clerk accepting the form cannot lawfully represent you or make legal determinations about your status. They must accept whatever you tell them you are on the government form and not challenge or question it. If they do, they are:

   3.1. Practicing law on your behalf without your consent.
   3.2. Unlawfully exceeding their delegated authority.
   3.3. Committing the crime of tampering with a federal witness per 18 U.S.C. §1512, and especially if they threaten you if you do not accept the status they insist on.

7.3 Penalties for compelled use

5 U.S.C. §552a(g)(4) provides for a penalty of a minimum of $1,000 for compelled use of Social Security Numbers:

5 U.S.C. §552a(g)(4)

(4) In any suit brought under the provisions of subsection (g)(1)(C ) or (D) of this section in which the court determines that the agency acted in a manner which was intentional or willful, the United States shall be liable to the individual in an amount equal to the sum of—

(A) actual damages sustained by the individual as a result of the refusal or failure, but in no case shall a person entitled to recovery receive less than the sum of $1,000; and

(B) the costs of the action together with reasonable attorney fees as determined by the court.”

[SOURCE: http://www.law.cornell.edu/uscode/html/uscode05/usccode05_00000552---a0900-html]

For additional information, read Doe v. Chao, 540 U.S. 614 (2004):

http://en.wikipedia.org/wiki/Doe_v._Chao

7.4 When is it mandatory under the I.R.C. to provide government issued numbers?

26 C.F.R. §301.6109-1(b) is the only provision of law which expressly requires the use of Taxpayer Identification Numbers. It says on the requirement to use such numbers the following:

26 C.F.R. §301.6109-1(b)

(b) Requirement to furnish one’s own number—
(1) U.S. persons.

Every U.S. person who makes under this title a return, statement, or other document must furnish its own taxpayer identifying number as required by the forms and the accompanying instructions.

(2) Foreign persons.

The provisions of paragraph (b)(1) of this section regarding the furnishing of one's own number shall apply to the following foreign persons--

(i) A foreign person that has income effectively connected with the conduct of a U.S. trade or business at any time during the taxable year;
(ii) A foreign person that has a U.S. office or place of business or a U.S. fiscal or paying agent at any time during the taxable year;
(iii) A nonresident alien treated as a resident under section 6013(g) or (h);
(iv) A foreign person that makes a return of tax (including income, estate, and gift tax returns), an amended return, or a refund claim under this title but excluding information returns, statements, or documents;
(v) A foreign person that makes an election under Sec. 301.7701-3(c);
(vi) A foreign person that furnishes a withholding certificate described in Sec. 1.1441-1(e)(2) or (3) of this chapter or Sec. 1.1441-5(e)(2)(iv) or (3)(iii) of this chapter to the extent required under Sec. 1.1441-1(e)(4)(vii) of this chapter;
(vii) A foreign person whose taxpayer identifying number is required to be furnished on any return, statement, or other document as required by the income tax regulations under section 897 or 1445. This paragraph (b)(2)(vii) applies as of November 3, 2003; and
(viii) A foreign person that furnishes a withholding certificate described in Sec. 1.1446-1(c)(2) or (3) of this chapter or whose taxpayer identification number is required to be furnished on any return, statement, or other document as required by the income tax regulations under section 1446. This paragraph (b)(2)(viii) shall apply to partnership taxable years beginning after May 18, 2005, or such earlier time as the regulations under Sec. 1.1446-1 through 1.1446-5 of this chapter apply by reason of an election under Sec. 1.1446-7 of this chapter.

Notice the word “its”. This should clue you into the fact that the tax code doesn’t apply to flesh and blood people, who are called “natural persons” in regulations like that above. If they had meant to refer to such a natural person, the word “its” would have said “his” or “her”. Consequently, the only type of “person”, they can be referring to is a privileged corporation or an officer representing said corporation, as was pointed out at the beginning of chapter 5 of the Great IRS Hoax, Form #11.302 . Also keep in your mind that the above regulation implements a code that is not positive law and therefore imposes no obligation upon anyone who does not consent to be bound by it by occupying a public office or position of employment within the U.S. government. The “U.S. person” identified above is defined below to mean a person born in or "resident" only within the District of Columbia, as follows. Note that “United States” is defined in 26 U.S.C. §7701(a)(9) and (a)(10) to mean ONLY the District of Columbia:

TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.
Sec. 7701. - Definitions

(a)(30) United States person
The term "United States person" means -

(A) a [corporate] citizen or resident [alien] of the [federal] United States,
(B) a domestic partnership,
(C) a domestic corporation,
(D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and
(E) any trust if -
(i) a court within the United States is able to exercise primary supervision over the administration of the trust, and
(ii) one or more United States persons have the authority to control all substantial decisions of the trust.

All government identifying numbers may only lawfully be issued to persons participating in government franchises. They act as the equivalent of license numbers for those engaging in franchises. The following IRS publications plainly admit when government issued numbers are mandatory, and all of them relate to those obtaining or qualifying for some government benefit or privilege. These cites are VERY important because once you can prove the things for which TINs are positively required, then all other uses are VOLUNTARY and not mandatory. Simply show them the list below and if your circumstances are not in it, then demand that they show a statute documenting an affirmative requirement to provide an identifying number:

1. IRS Publication 519, Year 2005, p. 23:
Identification Number

A taxpayer identification number must be furnished on returns, statements, and other tax related documents. For an individual, this is a social security number (SSN). If you do not have and are not eligible to get an SSN, you must apply for an individual taxpayer identification number (ITIN). An employer identification number (EIN) is required if you are engaged in a trade or business as a sole proprietor and have employees or a qualified retirement plan.

You must furnish a taxpayer identification number if you are:

- An alien who has income effectively connected with the conduct of a U.S. trade or business at any time during the year.
- An alien who has a U.S. office or place of business at any time during the year.
- A nonresident alien spouse treated as a resident, as discussed in chapter 1, or
- Any other alien who files a tax return, an amended return, or a refund claim (but not information returns).

Social Security Number (SSN). Generally, you can get an SSN if you have been lawfully admitted to the United States for permanent residence or under other immigration categories that authorize U.S. employment.

[...]

Individual taxpayer identification number (ITIN). If you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It usually takes about 4-6 weeks to get an ITIN. If you already have an ITIN, enter it whenever an SSN is required on your tax return.

An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

In addition to those aliens who are required to furnish a taxpayer identification number and are not eligible for an SSN, a Form W-7 should be filed for:

- Alien individuals who are claimed as dependents and are not eligible for an SSN, and
- Alien spouses who are claimed as exemptions and are not eligible for an SSN.

Employer identification number (EIN). An individual may use an SSN (or ITIN) for individual taxes and an EIN for business taxes. To apply for an EIN, file Form SS-4. Application for Employer Identification Number, with the IRS.

2. IRS Form 1040NR Instructions, Year 2007, p. 9. You can’t avail yourself of the “benefits” of the franchise without providing your franchisee license number.

Line 7c, Column (2)

You must enter each dependent’s identifying number (SSN, ITIN, or adoption taxpayer identification number (ATIN)). If you do not enter the correct identifying number, the time we process your return we may disallow the exemption claimed (such as the child tax credit) based on the dependent.

3. IRS Form 1042s Instructions, Year 2006, p. 14. What all of the circumstances below have in common is that they involve a “benefit” that is usually financial or tangible to the recipient, and therefore require a franchisee license number called a Taxpayer Identification Number:

Box 14, Recipient’s U.S. Taxpayer Identification Number (TIN)

You must obtain a U.S. taxpayer identification number (TIN) for:

- Any recipient whose income is effectively connected with the conduct of a trade or business in the United States.
  Note: For these recipients, exemption code 01 should be entered in box 6.
- Any foreign person claiming a reduced rate of, or exemption from, tax under a tax treaty between a foreign country and the United States, unless the income is an unexpected payment (as described in Regulations section 1.1441-6(g)) or consists of dividends and interest from stocks and debt obligations that are actively traded; dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund); dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were, upon issuance) publicly offered and are registered with
the Securities and Exchange Commission under the Securities Act of 1933; and amounts paid with respect to loans of any of the above securities.

- Any nonresident alien individual claiming exemption from tax under section 871(f) for certain annuities received under qualified plans.
- A foreign organization claiming an exemption from tax solely because of its status as a tax-exempt organization under section 501(c) or as a private foundation.
- Any QI.
- Any WP or WT.
- Any nonresident alien individual claiming exemption from withholding on compensation for independent personal services [services connected with a "trade or business"].
- Any foreign grantor trust with five or fewer grantors.
- Any branch of a foreign bank or foreign insurance company that is treated as a U.S. person.

If a foreign person provides a TIN on a Form W-8, but is not required to do so, the withholding agent must include the TIN on Form 1042-S.

We have taken the time to further investigate the last item above and put it in tabular form for your reading pleasure:
### Table 1: I.R.C. Statutory "Benefits"

<table>
<thead>
<tr>
<th>#</th>
<th>Name</th>
<th>Code section</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Effectively connected with the “trade or business” franchise</td>
<td>26 U.S.C. §7701(a)(26)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 U.S.C. §871(b)</td>
<td></td>
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<td></td>
<td></td>
<td>26 U.S.C. §1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Foreign person claiming reduced rate of, exemption from, tax under treaty</td>
<td>26 U.S.C. §894</td>
<td></td>
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<td></td>
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<td>26 U.S.C. §6114</td>
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<td></td>
<td></td>
<td>26 U.S.C. §6712</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Nonresident alien claiming exemption for annuities received under qualified plans</td>
<td>26 U.S.C. §871(f)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Foreign organization claiming an exemption from tax solely because of its status as a tax exempt organization</td>
<td>26 U.S.C. §501(c)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Qualified Intermediary (QI)</td>
<td>26 C.F.R. §1.1441-1(e)(5): Generally</td>
<td>Pursuant to 26 C.F.R. §1.1441-1(c)(14), one cannot be “qualified” without being a “U.S. person”, meaning a person with a legal domicile on federal territory in the “United States” (District of Columbia).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 C.F.R. §1.1441-1(e)(5)(ii): Definition</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Withholding Foreign Partnership (WP) or Withholding Foreign Trust (WT)</td>
<td>26 C.F.R. §1.1441-5(c)</td>
<td>A withholding foreign partnership (WP) is any foreign partnership that has entered into a WP withholding agreement with the IRS and is acting in that capacity. A withholding foreign trust (WT) is a foreign simple or grantor trust that has entered into a WT withholding agreement with the IRS and is acting in that capacity. A WP or WT may act in that capacity only for payments of amounts subject to NRA withholding that are distributed to, or included in the distributive share of, its direct partners, beneficiaries, or owners. A WP or WT acting in that capacity must assume NRA withholding responsibility for these amounts. You may treat a WP or WT as a payee if it has provided you with documentation (discussed later) that represents that it is acting as a WP or WT for such amounts. You cannot be a WP or a WT without an EIN. A WP or WT must provide you with a Form W-8IMY that certifies that the WP or WT is acting in that capacity and a written statement identifying the amounts for which it is so acting. The statement is not required to contain withholding rate pool information or any information relating to the identity of a direct partner, beneficiary, or owner. The Form W–8IMY must contain the WP-EIN or WT-EIN. See: <a href="http://www.irs.gov/businesses/small/international/article/0,,id=127923,00.html">http://www.irs.gov/businesses/small/international/article/0,,id=127923,00.html</a></td>
</tr>
</tbody>
</table>

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**The Money Laundering Enforcement Scam**

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Form 05.044, Rev. 10-2-2013

EXHIBIT: _______
<table>
<thead>
<tr>
<th>#</th>
<th>Name</th>
<th>Code section</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Nonresident claiming exemption for independent personal services</td>
<td>26 C.F.R. §1.1441-4(b)(4): Withholding 26 C.F.R. §1.1461-1(c)(2)(i): Reporting 26 C.F.R. §1.1441-6(g)(1): TIN requirement</td>
<td>Claimed using IRS Form 8233. The term “personal services” is defined as work performed in connection with a “trade or business” pursuant to 26 C.F.R. §1.469-9(b)(4) and 26 C.F.R. §1.1441-4. 26 U.S.C. §864(b)(1)(A) excludes services performed for foreign employers, meaning employers other than the U.S. government. See: <a href="http://www.irs.gov/businesses/small/international/article/0,,id=106259,00.html">http://www.irs.gov/businesses/small/international/article/0,,id=106259,00.html</a></td>
</tr>
<tr>
<td>8</td>
<td>Foreign grantor trust with five or fewer grantors</td>
<td>26 U.S.C. §§671 to 679 26 C.F.R. §1.1441-5(e): Generally 26 C.F.R. §1.1441-1(c)(26): Definition</td>
<td>A foreign grantor trust is a foreign trust but only to the extent all or a portion of the income [meaning “trade or business” earnings or payments from the U.S. government pursuant to 26 U.S.C. §871 and 26 U.S.C. §643(b)] of the trust is treated as owned by the grantor or another person under sections 671 through 679.</td>
</tr>
<tr>
<td>9</td>
<td>Any branch of a foreign bank or foreign insurance company that is treated as a “U.S. person”</td>
<td>26 U.S.C. §7701(a)(30)</td>
<td>All “U.S. persons” have a domicile in the “United States”, meaning the District of Columbia. Choice of domicile is voluntary and therefore this status is voluntary. All “U.S. persons” and “individuals” are government agents, instrumentalities, employees, or officers.</td>
</tr>
</tbody>
</table>
To summarize all of the requirements pertaining to the mandatory use of identifying numbers from all the publications above:

1. Only “individuals” are required to obtain identifying numbers. “Individuals” are defined in 5 U.S.C. §552(a)(2) as “citizens” and “residents” of the “United States”, meaning persons with a legal domicile on federal territory and not within the exclusive jurisdiction of any state of the Union. This is also consistent with the requirements of 20 C.F.R. §422.104, which limits issuance of SSNs to “citizens” and “residents” of the “United States”, meaning federal territory of the “federal zone”.

2. “citizens” are nowhere expressly required to obtain an identifying number. Only “aliens” are required to obtain a number, which are foreign nationals born in a foreign country. They are only required to obtain identifying numbers when domiciled on federal territory and outside the exclusive jurisdiction of a state of the Union. The reason they can be required to obtain such a number is because all aliens are “privileged” while they are visiting federal territory. This is confirmed by the following authorities, which prove that “aliens” with a domicile in a country are “privileged”:

   "Residents, as distinguished from citizens, are aliens who are permitted to take up a permanent abode [domicile] in the country. Being bound to the society by reason of their [intention off] dwelling in it, they are subject to its laws so long as they remain there, and, being protected by it, they must defend it, although they do not enjoy all the rights of citizenship. They have only certain privileges which the law, or custom, gives them. Permanent residents are those who have been given the right of perpetual residence. They are a sort of citizen of a less privileged character, and are subject to the society without enjoying all its advantages. Their children succeed to their status; for the right of perpetual residence given them by the State passes to their children.”
   [The Law of Nations, p. 87, E. De Vattel, Volume Three, 1758, Carnegie Institution of Washington; emphasis added.]

3. If you are participating in a federal benefit or franchise, then you must provide a number. These benefits are identified or IRS Form 1042s instructions and include:

   3.1. A “trade or business”, which is defined in 26 U.S.C. §7701(a)(26) as “the functions of a public office”.
   3.2. Reduced rate or exemption from tax arising from a tax treaty with a foreign country.
   3.3. Exemptions such as child write-offs.
   3.4. Any nonresident alien individual claiming exemption from tax under section 871(f) for certain annuities received under qualified plans.
   3.5. A foreign organization claiming an exemption from tax solely because of its status as a tax-exempt organization under section 501(c) or as a private foundation.
   3.6. Any QI.
   3.7. Any WP or WT.
   3.8. Any nonresident alien individual claiming exemption from withholding on compensation for independent personal services [services connected with a “trade or business”).
   3.9. Any foreign grantor trust with five or fewer grantors.
   3.10. Any branch of a foreign bank or foreign insurance company that is treated as a “U.S. person” under 26 U.S.C. §7701(a)(30).

4. There is no authority within the I.R.C. to CREATE a “public office” by filling out any form. You must be elected into the office by a lawful vote and you can’t “elect” yourself into office by simply filling out a form. You must ALREADY be a “public officer” within the U.S. government in order to have a tax liability that can be reduced by any of the above so-called “benefits”. 4 U.S.C. §72 says that all “public offices” must be exercised in the District of Columbia and not elsewhere except as expressly provided in an act of Congress. There is no act of Congress which expressly authorizes “public offices” within any state of the Union, and therefore it is ILLEGAL to participate in the “trade or business” franchise as a person domiciled within the exclusive jurisdiction of a state of the Union. Consequently, anyone domiciled within a state of the Union cannot be a party to any of the above “benefits” and is being deceived and defrauded if they think they either have a liability or need to reduce the liability by participating in any of the above franchises.

   For thus says the LORD:
   "You have sold yourselves for nothing,
   And you shall be redeemed without money."
   [Isaiah 52:3, Bible, NKJV]

   “Thus, Congress having power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes, may, without doubt, provide for granting coasting licenses, licenses to pilots, licenses to trade with the Indians, and any other licenses necessary or proper for the exercise of that great and extensive power; and the same observation is applicable to every other power of Congress, to the exercise of which the granting of licenses may be incident. All such licenses confer authority, and give rights to the licensee.
5. If you aren’t an “alien” and meet any one of the following requirements, then you aren’t required to obtain or use a government issued identifying number

5.1. Do not participate government franchises.

5.2. Terminated participation in all federal franchises

5.3. Were not qualified at the time you signed up because not domiciled on federal territory.

No government institution, financial institution, or employer may therefore lawfully compel the use of Social Security Numbers against those who meet the above criteria. If an employer financial institution attempts to compel use of the SSN, the victim has not only a standing under the above statute, but also can sue the institution for involuntary servitude under the Thirteenth Amendment. The reason is that this would constitute the equivalent of involuntary servitude in violation of the Thirteenth Amendment, because it would essentially amount to compelling a person to act as a federal “employee”, as we showed earlier. The following statute makes it a CRIME to compel the use of Social Security numbers against those who meet the above criteria:

TITLE 42 - THE PUBLIC HEALTH AND WELFARE
CHAPTER 7 - SOCIAL SECURITY
SUBCHAPTER II - FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS
Sec. 408. Penalties

(a) In general
Whoever ...

(8) discloses, uses, or compels the disclosure of the social security number of any person in violation of the laws of the United States; shall be guilty of a felony and upon conviction thereof shall be fined under title 18 or imprisoned for not more than five years, or both.

6. Use of a government number constitutes prima facie evidence that you are acting in a representative capacity as an officer of the government. The reason this must be so is because the government cannot pay “benefits” to private human beings, so you must become their agent and officer acting in an official capacity to make the transaction lawful:

To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

Nor is it taxation. “A tax,” says Webster’s Dictionary, “is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.” “Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.” Cooley, Const. Lim., 479.

Cooller, J., in Northern Liberties v. St. John’s Church, 13 Pa. St., 104 says, very forcibly, “I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the government for the purposes of carrying on the government in all its machinery and operations—that they are imposed for a public purpose.” See, also Pray v. Northern Liberties, 31 Pa.St., 69; Matter of Mayor of N.Y., 11 Johns., 77; Camden v. Allen, 2 Dutch., 398; Sharpless v. Mayor, supra; Haisson v. Vernon, 27 N.Y., 47; Whiting v. Fond du Lac, supra.

[Loan Association v. Topeka, 20 Wall. 655 (1874)]

“A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another.”

In Calder v. Bull, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal and State legislatures could not do without exceeding their authority, and among them he mentioned a law which punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor] contracts [and labor compensation, e.g. earnings from employment through compelled W-4 withholding] of citizens; a law that made a man judge in his own case; and a law that took the property from A [the worker], and gave it to B [the government or another citizen, such as through social welfare programs]. ‘It is against all reason and justice,’ he added, ‘for a people to intrust a legislature with such powers, and therefore it cannot be presumed that they have done it. They may command what is right and prohibit what is wrong; but they cannot change innocence into guilt, or punish innocence as a crime, or violate the right of an antecedent lawful private [employment] contract [by compelling W-4 withholding, for instance], or the right of private property. To maintain that a Federal or State legislature possesses such powers [of THEFT]’ if they had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in all free republican governments.’ 3 Dall. 388.

[Banking Fund Cases, 99 U.S. 700 (1878)]

7. You are not required to associate the number with any of your private property. Compelling you to do so violates the Fifth Amendment takings clause. You and only you determine what subset of your private property you wish to associate with and donate to a “public use” and a “public purpose” by associating it with government property in the form of the government owned number.

8. Associating a government number with your private property, such as your financial accounts, real estate, etc. makes the property into the equivalent of “private property donated to a public use to procure the benefits of a government franchise”. If associating your property with a number does not render a government benefit, then it is a BAD idea to basically give away your private property without any compensation. The government just loves people to do this, but they can’t require them to donate their private property to a public use.

“Men are endowed by their Creator with certain unalienable rights—life, liberty, and the pursuit of happiness; and to ‘secure,’ not grant or create, these rights, governments are instituted. That property [or income] which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it to his neighbor’s injury, and that does not mean that he must use it for his neighbor’s benefit [e.g. SOCIAL SECURITY, Medicare, and every other public “benefit”]; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation.”

[Budd v. People of State of New York, 143 U.S. 517 (1892)]

8 Criminal consequences of Money Laundering

8.1 Structuring, 31 U.S.C. §5324

Structuring is the act of conducting financial transactions in such a way as to avoid reporting requirements mandated by law. 31 U.S.C. §5324 makes such acts a crime:

31 U.S.C. § 5324 - Structuring transactions to evade reporting requirement prohibited

(a) Domestic Coin and Currency Transactions Involving Financial Institutions.— No person shall, for the purpose of evading the reporting requirements of section 5313 (a) or 5325 or any regulation prescribed under any such section, the reporting or recordkeeping requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508—

(1) cause or attempt to cause a domestic financial institution to fail to file a report required under section 5313 (a) or 5325 or any regulation prescribed under any such section, to file a report or to maintain a record required by an order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508;

(2) cause or attempt to cause a domestic financial institution to file a report required under section 5313 (a) or 5325 or any regulation prescribed under any such section, to file a report or to maintain a record required by an order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508, that contains a material omission or misstatement of fact; or
When a corrupted government wishes to “selectively enforce” against a freedom minded American, this criminal provision is frequently employed. It was employed, for instance, in the case of Ed and Elaine Brown, who were criminally prosecuted for structuring. The couple lived in New Hampshire and she was a dentist. They paid for their house with postal money orders, which is where the jurisdiction to prosecute came from. The front of the money order says “Valid only within the United States”; and the “United States” they were talking about was federal territory not within any state.

The corrupted government was able to successfully prosecute Ed because he wasn’t familiar with the factual requirements associated with the mandatory filing of Currency Transaction Reports (C.T.R.’s). These reports can lawfully be produced ONLY when the party subject to them is lawfully engaged in a statutory “trade or business”. Here is the requirement to report, found in 31 CFR §103.30.

Title 31 - Money and Finance: Treasury
Volume: 1
Date: 2010-07-01
Original Date: 2010-07-01
Title: Section 103.30 - Reports relating to currency in excess of $10,000 received in a trade or business.
Context: Title 31 - Money and Finance: Treasury.
Subtitle B - Regulations Relating to Money and Finance.
PART 103 - FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS. Subpart B - Reports Required To Be Made.
§ 103.30Reports relating to currency in excess of $10,000 received in a trade or business.

(a) Reporting requirement—

(1) Reportable transactions—

(i) In general. Any person (solely for purposes of section 5331 of title 31, United States Code and this section, “person” shall have the same meaning as under 26 U.S.C. 7701 (a)(1)) who, in the course of a trade or business, in which such person is engaged, receives currency in excess of $10,000 in 1 transaction or 2 or more related transactions, shall, except as otherwise provided, make a report of information with respect to the receipt of currency. This section does not apply to amounts received in a transaction reported under 31 U.S.C. 5313 and § 103.22.

(ii) Certain financial transactions. Section 6050I of title 26 of the United States Code requires persons to report information about financial transactions to the IRS, and 31 U.S.C. 5331 requires persons to report similar information about certain transactions to the Financial Crimes Enforcement Network. This information shall be reported on the same form as prescribed by the Secretary.

(2) Currency received for the account of another. Currency in excess of $10,000 received by a person for the account of another must be reported under this section. Thus, for example, a person who collects delinquent accounts receivable for an automobile dealer must report with respect to the receipt of currency in excess of $10,000 from the collection of a particular account even though the proceeds of the collection are credited to the account of the automobile dealer (i.e., where the rights to the proceeds from the account are retained by the automobile dealer and the collection is made on a fee-for-service basis).(3) Currency received by agents—(i) General rule. Except as provided in paragraph (a)(3)(ii) of this section, a person who in the course of a trade or business acts as an agent (or in some other similar capacity) and receives currency in excess of $10,000 from a principal must report the receipt of currency under this section.(ii) Exception. An agent who receives currency from a principal and uses all of the currency within 15 days in a currency transaction (the “second currency transaction”) which is reportable under section 5312 of title 31, or 31 U.S.C. 5331 and this section, and who discloses the name, address, and taxpayer identification number of the principal to the recipient in the second currency transaction need not report the initial receipt of currency under this section. An agent will be deemed to have met the disclosure requirements of this paragraph (a)(3)(ii) if the agent discloses only the name of the principal and the agent knows that the recipient has the principal’s address and taxpayer identification number.

The term “trade or business” is then defined as “the functions of a public office” in 26 U.S.C. §7701(a)(26).
26 U.S.C. §7701(a)(26)

“The term ‘trade or business’ includes [is limited to] the performance of the functions of a public office.”

If the subject of such a report is NOT lawfully engaged in an elected or appointed public office, then is impossible to commit this crime. Ed Brown didn’t know this and never rebutted whether he was engaged in a “trade or business”, and therefore was PRESUMED to be. This lead him to effectively be accountable for all the liabilities of a public office that he in fact did NOT lawfully occupy, one of which was the money laundering reporting statutes. Learn the law so you aren’t unlawfully victimized by government thieves. people.

“My [God’s] people are destroyed [and enslaved] for lack of knowledge [and the lack of education that produces it].”

[Hosea 4:6, Bible, NKJV]

8.2 Laundering of Monetary Instruments, 18 U.S.C. §1956

One of the most famous tactics a corrupted government uses to selectively enforce against freedom fighters is to “selectively enforce” the money laundering criminal statutes. The enforcement of such statutes begins usually with the filing of a usually FALSE Suspicious Activity Report (SAR) or Currency Transaction Report (C.T.R.) against a “person of interest.” As we said in the previous section, CTR’s and SARs can ONLY be filed against those lawfully engaged in an elected or appointed public office. If the subject of the report is NOT lawfully engaged in a public office, then:

1. The CTR or SAR is false and fraudulent.
2. The target of the false report is being made to criminally impersonate a public officer in violation of 18 U.S.C. §912, often without their consent or knowledge.
3. The submitter of the false or fraudulent report can and MUST be prosecuted. Among the crimes committed by submitting a false CTR or SAR report include:
   3.3. 18 U.S.C. §1005: Bank entries, reports, and transactions. Makes it a crime punishable by 30 years in prison and a $1,000,000 fine to falsify any bank report.
4. Since the reports were false and the product of criminal activity on the part of the submitter, then they are INADMISSIBLE as evidence in a criminal prosecution for money laundering or structuring because they violate the U.S. Supreme Court’s Fruit of a Poisonous Tree Doctrine. See Wong Sun v. United States, 371 U.S. 471, 83 S.Ct. 407, 9 L.Ed.2d. 441 (1963); Silverthorne Lumber Co. v. United States, 251 U.S. 385, 40 S.Ct. 182, 64 L.Ed. 319 (1920).

9 How financial institutions misrepresent and illegally administer money laundering statutes

9.1 Saying that federal law require an SSN or TIN in order to open an account or COMPELLING the use or disclosure of SSNs or TINS

No federal law MANDATES the use or disclosure of an SSN or TIN for those who are NOT engaged in the “public office” or “trade or business” franchise. People domiciled in a constitutional state all fit in this category. Only if they have a lawful election or appointment to public office do they in fact become statutory “persons” or “individuals” subject to federal civil law. Otherwise, they are nonresident NON-PERSONS and NON-INDIVIDUALS beyond federal jurisdiction. For exhaustive proof on this subject, see:

Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037
http://sedm.org/Forms/FormIndex.htm

We discuss why the use of SSNs and TINS can only be compelled earlier in section 6.

9.2 FALSE CTRs and SARs

Currency Transaction Reports (C.T.R.’s) may ONLY be lawfully filed against those lawfully engaged in the “public officer” and “trade or business” franchise. This is confirmed by 31 C.F.R. §103.30.
Title 31 - Money and Finance: Treasury

Volume: 1

Date: 2010-07-01

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Title: Section 103.30 - Reports relating to currency in excess of $10,000 received in a trade or business.

Context: Title 31 - Money and Finance: Treasury.

Subtitle B - Regulations Relating to Money and Finance.

PART 103 - FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS. Subpart B - Reports Required To Be Made.

§ 103.30 Reports relating to currency in excess of $10,000 received in a trade or business.

(a) Reporting requirement—

(1) Reportable transactions—

(i) In general. Any person (solely for purposes of section 5331 of title 31, United States Code and this section, “person” shall have the same meaning as under 26 U.S.C. 7701 (a)(1)) who, in the course of a trade or business, in which such person is engaged, receives currency in excess of $10,000 in 1 transaction (or 2 or more related transactions) shall, except as otherwise provided, make a report of information with respect to the receipt of currency. This section does not apply to amounts received in a transaction reported under 31 U.S.C. 5313 and § 103.22.

(ii) Certain financial transactions. Section 6050I of title 26 of the United States Code requires persons to report information about financial transactions to the IRS, and 31 U.S.C. 5331 requires persons to report similar information about certain transactions to the Financial Crimes Enforcement Network. This information shall be reported on the same form as prescribed by the Secretary.

(2) Currency received for the account of another. Currency in excess of $10,000 received by a person for the account of another must be reported under this section. Thus, for example, a person who collects delinquent accounts receivable for an automobile dealer must report with respect to the receipt of currency in excess of $10,000 from the collection of a particular account even though the proceeds of the collection are credited to the account of the automobile dealer (i.e., where the rights to the proceeds from the account are retained by the automobile dealer and the collection is made on a fee-for-service basis). (3) Currency received by agents—(i) General rule. Except as provided in paragraph (a)(3)(ii) of this section, a person who in the course of a trade or business acts as an agent (or in some other similar capacity) and receives currency in excess of $10,000 from a principal must report the receipt of currency under this section. (ii) Exception. An agent who receives currency from a principal and uses all of the currency within 15 days in a currency transaction (the “second currency transaction”) which is reportable under section 5312 of title 31, or 31 U.S.C. 5331 and this section, and who discloses the name, address, and taxpayer identification number of the principal to the recipient in the second currency transaction need not report the initial receipt of currency under this section. An agent will be deemed to have met the disclosure requirements of this paragraph (a)(3)(ii) if the agent discloses only the name of the principal and the agent knows that the recipient has the principal’s address and taxpayer identification number.

The term “trade or business” is then defined as “the functions of a public office” in 26 U.S.C. §7701(a)(26).

26 U.S.C. §7701(a)(26)

“The term ‘trade or business’ includes [is limited to] the performance of the functions of a public office.”

If the subject of such a report is NOT lawfully engaged in an elected or appointed public office, then is impossible to commit this crime.
9.3 How financial institutions protect their illegal and unconstitutional implementation of money laundering statutes

Financial institutions are often aware that they are engaging in criminal activity by doing any of the following:

1. Filing CTRs and SARs against those not subject to such reporting because the subject of the report is not lawfully engaged in a public office.
2. Mandating the obtaining or furnishing of government identifying numbers by those who are not subject to federal law.

They know that they are engaging criminal activity by doing the above. To defend themselves against being prosecuted for the crimes resulting from the above abuses, these criminal institutions willfully engage in the following defensive tactics, which we call “risk management”:

1. They will tell you that “federal law requires you to provide a Social Security Number” even though there is NO SUCH LAW.
2. When you ask then to produce the statute AND implementing regulation documenting the requirement, the front line clerk can’t and won’t produce it, which indirectly means they are LYING to you about the requirement.
3. If you go up the food chain and contact the supervisor above the clerk and ask them to provide the statute and regulation MANDATING the disclosure of an SSN or TIN to open an account, they may ultimately admit that the requirement is a POLICY requirement of the company and NOT a requirement of any law itself. Only the honest ones will do this. The dishonest ones will continue denial.
4. After they evade the disclosure, you can then:
   4.1. Ask to for the phone number, mailing address, and email address of the corporate counsel who CAN provide the statute and regulation mandating the use of the Social Security Number. . . OR
   4.2. Ask them to put the person on the phone and record the conversation.
5. The clerk almost always will respond to such requests by saying that:
   5.1. They know the contact information of the attorney but are not allowed to give it to you.
   5.2. They can call the corporate counsel but can’t put them on the phone with you.
6. Ultimately, the only thing the clerk will provide is not even a mailing address, but a generic email address without even a name of the corporate counsel. This corporate counsel then:
   6.1. Will most of the time ignore the request, because it’s too risky to even admit that the company is committing a crime to either file the false reports or force the use of SSNs/TINs.
   6.2. If they respond, they will respond anonymously with no specific information and no return contact information, so that they can protect their anonymity and accountability for making false statements on the subject.
7. Out of frustration from executing the above “administrative run-around” or what we call “legal peek-a-boo”, the only option left is usually to send an email to a generic address that ultimately will never be answered because the answer would:
   7.1. Expose criminal activity on the part of the corporate counsel and the company.
   7.2. Cause the corporate counsel to have to surrender his/her “plausible deniability”.
   7.3. Make every action of the company in violation of the laws you informed them about into an act of WILLFUL FRAUD.

The above is why we say there is more crime committed at financial institutions than any of the customers could ever possibly engage in. Remember the following about such DESPICABLE and CRIMINAL tactics by financial institutions:

“Silence can only be equated with fraud where there is a legal or moral duty to speak or where an inquiry left unanswered would be intentionally misleading.”
[U.S. v. Prudden, 424 F.2d. 1021 (5th Cir. 1970)]

“Silence can be equated with fraud where there is a legal or moral duty to speak, or where an inquiry left unanswered would be intentionally misleading. . . We cannot condone this shocking behavior by the IRS. Our revenue system is based on the good faith of the taxpayer and the taxpayers should be able to expect the same from the government in its enforcement and collection activities.”
[U.S. v. Tweel, 550 F.2d. 297, 299 (5th Cir. 1977)]

The “moral duty to speak” indicated above is established by the following facts:
Financial institutions are agents of the national government. See 31 C.F.R. §202.2.

2. Financial institutions indirectly admit to BEING officers and therefore agents of the national government BY:

2.1. Acting as statutory “withholding agents” per 26 U.S.C. §7701(a)(16), financial institutions cannot escape the duties of being officers of the national government subject to ALL the laws of the national government in connection with their duties.

2.2. Claiming that federal law requires them to do ANYTHING, since such law can and does regulate only PUBLIC conduct of PUBLIC officers. Federal civil statutory law can and does regulate ONLY such officers. See: Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037 http://sedm.org/Forms/FormIndex.htm

3. As agents of the national government, financial institutions and their employees have a fiduciary duty toward the public to protect PRIVATE property. The FIRST step in that protection is to prevent any portion of it or the rights associated with it from being converted into PUBLIC property or a PUBLIC office without the EXPRESS and informed and UNCOERCED consent of the original owner:

"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer. 120 Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain from a discharge of their trusts. 127 That is, a public officer occupies a fiduciary relationship to the political entity on whose behalf he or she serves, 128 and owes a fiduciary duty to the public. 125 It has been said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual. 124 Furthermore, it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence and undermine the sense of security for individual rights is against public policy.125 " [63C American Jurisprudence 2d, Public Officers and Employees, §247 (1999)]

4. The fiduciary duty of financial institutions establishes the highest possible moral and legal duty to prevent crimes from being committed, including those documented herein.

Fiduciary duty. A duty to act for someone else’s benefit, while subordinating one’s personal interests to that of the other person. It is the highest standard of duty implied by law (e.g. trustee, guardian).


10 Defenses and Remedies against financial institutions for illegally representing or enforcing money laundering statutes

If you are, in fact, not a public officer in the government or franchisee and someone else has compelled you, often without your knowledge and definitely without your consent, to involuntarily accept the duties of the public officer straw man, the laws listed in this section may be helpful in achieving a legal remedy against the person or organization that is the source of the duress. These laws are categorized by the jurisdiction they apply to.

The table above lists what is called a “Dual office prohibition”. This means that you cannot simultaneously be a public officer in the federal government and a public officer in the state government at the same time. Anyone who participates in any federal franchise or office and also in state franchises or offices fits this description.


123 United States v. Holzer (CA7 Ill) 816 F.2d. 304 and vacated, remanded on other grounds 484 U.S. 807, 98 L.Ed.2d. 18, 108 S Ct 53, on remand (CA7 Ill) 840 F.2d. 1343, cert den 486 U.S. 1035, 100 L.Ed.2d. 608, 108 S Ct 2022 and (criticized on other grounds by United States v. Osser (CA3 Pa) 864 F.2d. 1056) and (superseded by statute on other grounds as stated in United States v. Little (CA5 Miss) 889 F.2d. 1367) and (among conflicting authorities on other grounds noted in United States v. Boylan (CA1 Mass), 898 F.2d. 230, 29 Fed Rules Evid Serv 1223).


The Money Laundering Enforcement Scam

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<td>North Carolina</td>
<td>Constitution</td>
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<td>Const. Article VI, Section 9</td>
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<td>Crime: Impersonating Public Officer</td>
<td>N.C.G.S. §14-277</td>
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<td>Ohio</td>
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<td>Dual Office Prohibition</td>
<td>Const. Article 2, Section 04 (legislature); Const. Article 4, Section 06, Para. (B)</td>
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<td>Ohio</td>
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<td>Oklahoma</td>
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<td>Const. Article II, Section 12; Const. Article V, Section 18 (legislature)</td>
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<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>O.S. Title 21, Section 1533</td>
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<td>Statute</td>
<td>Crime: Identity Theft</td>
<td>O.S. Title 21, Section 1533.1</td>
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<td>Oregon</td>
<td>Constitution</td>
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<td>Const. Article II, Section 10</td>
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<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>O.R.S. §162.365</td>
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<td>Statute</td>
<td>Crime: Identity Theft</td>
<td>O.R.S. §165.803</td>
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<td>Constitution</td>
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<td>Const. Article V, Section 17 (judges)</td>
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<td>Dual Office Prohibition</td>
<td>Const. Article III, Section 6</td>
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<td>Rhode Island</td>
<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>G.L.R.I. §11-14-1</td>
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<td>South Carolina</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article 1, Section 8(internal);Const. Article VI, Section 3 (officers)</td>
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<td>S.C.C.O.L. § 16-13-290</td>
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<td>Const. Article 3, Section 3</td>
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<td>Crime: Impersonating Public Officer</td>
<td>S.D.C.L. §22-40-16</td>
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<td>S.D.C.L. §22-40-8</td>
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<td>Dual Office Prohibition</td>
<td>Const. Article II, Section 2 (internal);Const. Article II, Section 26 (officers)</td>
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<td>Crime: Impersonating Public Officer</td>
<td>T.C. §39-16-301</td>
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<td>Texas</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article 2, Section 1 (internal);Const. Article 3, Section 18 (legislature); Const. Article 4, Section 6 (executive)</td>
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<td>Texas</td>
<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>Penal Code, Section 37.11</td>
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<td>Statute</td>
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<td>T.S. §32.51</td>
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<td>Utah</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article V, Section 1 (internal);Const. Article VIII, Section 10 (judges)</td>
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<td>Utah</td>
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<td>Crime: Impersonating Public Officer</td>
<td>U.C. §76-8-512</td>
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<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Chapter II, Section 54</td>
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<td>Vermont</td>
<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>13 V.S.A. §3002</td>
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<td>Virginia</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article IV, Section 4 (legislature); Const. Article V, Section 4 (governor)</td>
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<td>Virginia</td>
<td>Statute</td>
<td>Crime: Identity Theft</td>
<td>C.O.V. §18.2-186.3</td>
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<td>Washington</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article II, Section 14 (legislature); Const. Article IV, Section 15 (judges)</td>
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<td>Washington</td>
<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>R.C.W. §18.71.190</td>
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<td>West Virginia</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article 6, Section 16 (senators); Const. Article 7, Section 4 (executive); Const. Article 8, Section 7 (judges)</td>
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<td>West Virginia</td>
<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>W.V.C. §61-5-27a(e)</td>
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<td>Wisconsin</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Article IV, Section 13</td>
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<td>Wisconsin</td>
<td>Statute</td>
<td>Crime: Identity Theft</td>
<td>W.S. §943.201</td>
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<td>Wyoming</td>
<td>Constitution</td>
<td>Dual Office Prohibition</td>
<td>Const. Section 97-3-008 (legislature);Const. Section 97-5-027 (judges)</td>
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<td>Wyoming</td>
<td>Statute</td>
<td>Crime: Identity Theft</td>
<td>W.S. §6-3-901</td>
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<td>Wyoming</td>
<td>Statute</td>
<td>Crime: Impersonating Public Officer</td>
<td>W.S. §6-5-307</td>
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If you would like to research further the laws and remedies available in the specific jurisdiction you are in, we highly recommend the following free tool on our website:

1. **SEDM Jurisdictions Database**, Litigation Tool #09.003  
   [http://sedm.org/Litigation/LitIndex.htm](http://sedm.org/Litigation/LitIndex.htm)
2. **SEDM Jurisdictions Database Online**, Litigation Tool #09.004  
   [http://sedm.org/Litigation/LitIndex.htm](http://sedm.org/Litigation/LitIndex.htm)

The above tool is also available at the top row under the menu on our Litigation Tools page at the link below:

[http://sedm.org/Litigation/LitIndex.htm](http://sedm.org/Litigation/LitIndex.htm)

## 11 Conclusions and summary

We will now succinctly summarize everything that we have learned in this short memorandum of law in order to emphasize the important points:

1. There is nothing inherently wrong with preventing illegal activities by preventing the flow of money that subsidize them.
2. It is a CRIME to file a Currency Transaction Report (C.T.R.) against those not lawfully engaged in the “public office” or “trade or business” franchise. The crimes committed include:
   2.3. 18 U.S.C. §1005: Bank entries, reports, and transactions. Makes it a crime punishable by 30 years in prison and a $1,000,000 fine to falsify any bank report.
3. When financial institutions ask for an SSN or TIN in order to open an account, they are asking TWO questions:
   3.1. Are you a public officer on official business?
   3.2. If so, what is your DE FACTO LICENSE NUMBER to act in that capacity?
   If you provide any number at all, then you answered YES to the first of the above two questions.
4. By compelling account holders to use or disclose a government identifying numbers, financial institutions indirectly are:
   4.1. Acting as federal employment recruiters.
   4.2. Committing identity theft, by connecting you with a status that you cannot unilaterally consent to have.
   4.4. Making you into the equivalent of a “Kelly Girl” working for Uncle and on loan to the financial institution.
   4.5. Making you into a compelled agent of the national government:

   "All the powers of the government [including ALL of its civil enforcement powers against the public] must be carried into operation by individual agency, either through the medium of public officers, or contracts made with [private] individuals.

5. It is your DUTY as an informed American to:
   5.1. Educate all financial institutions about the content of this pamphlet.
   5.2. Educate your loved ones about the content of this pamphlet.
   5.3. Ensure that your business associates and especially financially institutions comply scrupulously with the law by NOT:
      5.3.1. Compelling the use of government identifying number.
      5.3.2. Filing CTR’s or SAR’s against those such as yourself who are NOT lawfully engaged in a public office in the government.

## 12 Resources for further study and rebuttal

A number of additional resources are available for those who wish to further investigate the contents of the pamphlet:
1. **Laws**

1.1. Bank Secrecy Act (B.S.A.)

1.1.1. 31 U.S.C. Chapter 53, Subchapter II: Records and Reports on Monetary Instruments Transactions

http://www.law.cornell.edu/uscode/text/31/subtitle-IV/chapter-53/subchapter-II

1.1.2. Wikipedia: Bank Secrecy Act (B.S.A.)

http://en.wikipedia.org/wiki/Bank_Secrecy_Act


1.1.5. Wikipedia: Patriot Act

http://en.wikipedia.org/wiki/USA_Patriot_Act

1.2. 31 C.F.R. Part 103: Financial Recordkeeping and Reporting of Currency and Foreign Transactions-Treasury

http://ecfr.gpoaccess.gov/cgi/t/text/textidx?c=ecfr&sid=6cc9cfabc3caf7d12c218289f825b0b2&tpl=/ecfrbrowse/Title31/31cfr103_main_02.tpl


2. **Government Research**

2.1. Legal Tender Status, United States Dept. of Treasury Website.


http://famguardian.org/Subjects/MoneyBanking/Money/patman-primer-on-money.pdf


http://famguardian.org/Publications/169Q&AOnMoney/money.htm

2.4. FinCen: Money Services Business Page-website sponsored by Dept of Treasury to provide information about currency transaction reporting

http://www.fincent.gov/financial_institutions/msb/

2.5. FinCEN forms, FinCEN-types of information that financial institutions and casinos send to big brother

http://www.fincent.gov/reg_bsaforms.html

2.6. FinTrac Canada -Canadian tracking of financial transactions

http://www.fintrac-canadef.gc.ca/intro-eng.asp


http://famguardian.org/Subjects/MoneyBanking/Commerce/bsa_quickrefguide.pdf


http://famguardian.org/Subjects/MoneyBanking/Commerce/msbsar_quickrefguide.pdf


2.10. SEC Release No. 34-47752, File No. S7-25-02-Customer Identification Programs for Broker Dealers (OFFSITE LINK)

http://www.sec.gov/rules/final/34-47752.htm

2.11. Feasibility of Cross-Border Electronic Funds Transfer Reporting System -FinCEN report to Congress

http://www.fincent.gov/cross_border/index.html

3. **SEDM Research**

3.1. Demand for Verified Evidence of "Trade or Business" Activity-Currency Transaction Report (C.T.R.), Form #04.008-form to give financial institutions that are illegally preparing Currency Transaction Reports (C.T.R.’s) for cash withdrawals of $10,000 or more

http://sedm.org/Forms/FormIndex.htm

3.2. Legal Deception, Propaganda, and Fraud, Form #05.014

http://sedm.org/Forms/FormIndex.htm

3.3. Government Identity Theft, Form #05.046

http://sedm.org/Forms/FormIndex.htm

3.4. The Money Scam, Form #05.041- detailed research proving there is no lawful money and therefore no “currency” to report

http://sedm.org/Forms/FormIndex.htm

4. **Family Guardian Research**

4.1. Federal Transaction Reporting Requirements, Family Guardian Fellowship-what you have to tell the feds about your transactions, which is NOTHING in most cases
1. **Money, Banking, and Credit Page**-Family Guardian Website. See section 5 in particular on Money.

2. **Sovereignty**-The Money Laundering Enforcement Scam

3. **Third Party Research**

4. **American Currency Exhibit**-Federal Reserve Board, San Francisco


6. **Federal Reserve Website**

7. **Money Masters Video Documentary**, Form #11.511, Bill Stills. Video documentary on the corruption of our money system.


11. **Solutions to Money**-Debunking Our Money System.


13. **Questions that Readers, Grand Jurors, and Petit Jurors Should be Asking the Government**

These questions are provided for readers, Grand Jurors, and Petit Jurors to present to the government or anyone else who would challenge the facts and law appearing in this pamphlet, most of whom work for the government or stand to gain financially from perpetuating the fraud. If you find yourself in receipt of this pamphlet, you are demanded to answer the questions within 10 days. Pursuant to the Federal Rule of Civil Procedure 8(b)(6), failure to deny within 10 days constitutes an admission to each question. Pursuant to 26 U.S.C. §6065, all of your answers must be signed under penalty of perjury. We are not interested in agency policy, but only sources of reasonable belief identified in the pamphlet below:

**Reasonable Belief About Income Tax Liability**, Form #05.007

http://sedm.org/Forms/FormIndex.htm

Your answers will become evidence in future litigation, should that be necessary in order to protect the rights of the person against whom you are attempting to unlawfully enforce federal law.
13.1 Questions about compelled use of Social Security Numbers and Taxpayer Identification Numbers

1. Admit that the Social Security Card and number are property of the national government.

Title 20: Employees’ Benefits
PART 422—ORGANIZATION AND PROCEDURES
Subpart B—General Procedures
§ 422.103 Social security numbers.
(d) Social security number cards. A person who is assigned a social security number will receive a social security number card from SSA within a reasonable time after the number has been assigned. (See §422.104 regarding the assignment of social security number cards to aliens.) Social security number cards are the property of SSA and must be returned upon request.

Figure 1: Back of Social Security Card

YOUR ANSWER (circle one): Admit/Deny

2. Admit that it is a crime for a PRIVATE party to use public property for personal gain. See 18 U.S.C. §654.

YOUR ANSWER (circle one): Admit/Deny

3. Admit that a PRIVATE person possessing or using PUBLIC property in connection with an otherwise PRIVATE transaction or PRIVATE financial instrument is presumed to be a public officer on official business.

YOUR ANSWER (circle one): Admit/Deny

4. Admit that it one cannot unilaterally “elect” themselves into public office by simply filling out a government form, even if they consent to do so.

YOUR ANSWER (circle one): Admit/Deny
5. Admit that an SSA Form SS-5 creates no new public offices, but merely provides a way for those already serving in public office to procure a de facto license number to do so.

**Figure 2: Internal Revenue License**

![Internal Revenue License](image)

 YOUR ANSWER (circle one): Admit/Deny

6. Admit that it is a crime per 42 U.S.C. §408(a)(8) to compel the use of Social Security Numbers.

   **TITLE 42 - THE PUBLIC HEALTH AND WELFARE**
   **CHAPTER 7 - SOCIAL SECURITY**
   **SUBCHAPTER II - FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS**
   **Sec. 408. Penalties**

   In general
   Whoever ... (8) discloses, uses, or compels the disclosure of the social security number of any person in violation of the laws of the United States; shall be guilty of a felony and upon conviction thereof shall be fined under title 18 or imprisoned for not more than five years, or both.

 YOUR ANSWER (circle one): Admit/Deny

7. Admit that there is no provision within any federal law mandating the use of Social Security Numbers for those who are not subject to federal law and therefore not "persons" or "individuals" under said law.

 YOUR ANSWER (circle one): Admit/Deny

8. Admit that those domiciled outside of the statutory "United States" (meaning federal territory), such as those domiciled
in a constitutional state and who are not representing the national government as a public officer are not subject to federal
civil law per Federal Rule of Civil Procedure 17(b).

IV. PARTIES > Rule 17.
(b) Capacity to Sue or be Sued.

Capacity to sue or be sued is determined as follows:

(1) for an individual who is not acting in a representative capacity, by the law of the individual’s domicile;
(2) for a corporation [or the officers or “public officers” of the corporation], by the law under which it was
organized; and
(3) for all other parties, by the law of the state where the court is located, except that:
(A) a partnership or other unincorporated association with no such capacity under that state’s law may sue or
be sued in its common name to enforce a substantive right existing under the United States Constitution or
laws; and
(B) 28 U.S.C. 45754 and 959(a) govern the capacity of a receiver appointed by a United States court to sue or
be sued in a United States court.

YOUR ANSWER (circle one): Admit/Deny

9. Admit that even for those who are “persons” under federal law because domiciled on federal territory, there is no provision
mandating the use or disclosure of Social Security Numbers or Taxpayer Identification Numbers in connection with any
financial transaction, service, or account opened at a financial institution or Money Service Business.

YOUR ANSWER (circle one): Admit/Deny

10. Admit that the following statement is FALSE when made to a state citizen domiciled outside the statutory “United States”
(meaning federal territory):

“Federal law requires you to have and disclose a Social Security Number in order to do business with us.”

YOUR ANSWER (circle one): Admit/Deny

13.2 Questions about filing of CTRs and SARs

1. Admit that Currency Transaction Reports (C.T.R.’s) may ONLY be submitted against those lawfully engaged in a “trade
or business”.

Title 31 - Money and Finance: Treasury
Volume: 1
Date: 2010-07-01
Original Date: 2010-07-01
Title: Section 103.30 - Reports relating to currency in excess of $10,000 received in a trade or business.
Context: Title 31 - Money and Finance: Treasury.
Subtitle B - Regulations Relating to Money and Finance.
PART 103 - FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN
TRANSACTIONS. Subpart B - Reports Required To Be Made.

§ 103.30 Reports relating to currency in excess of $10,000 received in a trade or business.

(a) Reporting requirement—

(1) Reportable transactions—

(i) In general. Any person (solely for purposes of section 5331 of title 31, United States Code and this section,
“person” shall have the same meaning as under 26 U.S.C. 7701 (a)(1)) who, in the course of a trade or business
in which such person is engaged, receives currency in excess of $10,000 in 1 transaction (or 2 or more related
transactions) shall, except as otherwise provided, make a report of information with respect to the receipt of
currency. This section does not apply to amounts received in a transaction reported under 31 U.S.C. 5313 and §
103.22.

(ii) Certain financial transactions. Section 60501 of title 26 of the United States Code requires persons to report
information about financial transactions to the IRS, and 31 U.S.C. 5331 requires persons to report similar
(2) Currency received for the account of another. Currency in excess of $10,000 received by a person for the account of another must be reported under this section. Thus, for example, a person who collects delinquent accounts receivable for an automobile dealer must report with respect to the receipt of currency in excess of $10,000 from the collection of a particular account even though the proceeds of the collection are credited to the account of the automobile dealer (i.e., where the rights to the proceeds from the account are retained by the automobile dealer and the collection is made on a fee-for-service basis).(3) Currency received by agents—

General rule. Except as provided in paragraph (a)(3)(ii) of this section, a person who in the course of a trade or business acts as an agent (or in some other similar capacity) and receives currency in excess of $10,000 from a principal must report the receipt of currency under this section.(ii) Exception. An agent who receives currency from a principal and uses all of the currency within 15 days in a currency transaction (the "second currency transaction") which is reportable under section 5312 of title 31, or 31 U.S.C. 5331 and this section, and who discloses the name, address, and taxpayer identification number of the principal to the recipient in the second currency transaction need not report the initial receipt of currency under this section. An agent will be deemed to have met the disclosure requirements of this paragraph (a)(3)(ii) if the agent discloses only the name of the principal and the agent knows that the recipient has the principal’s address and taxpayer identification number.


YOUR ANSWER (circle one): Admit/Deny

2. Admit that a “trade or business” is defined in 26 U.S.C §7701(a)(26) as “the functions of a public office”.

26 U.S.C. §7701(a)(26)

“The term ‘trade or business’ includes [is limited to] the performance of the functions of a public office.”

YOUR ANSWER (circle one): Admit/Deny

3. Admit that the rules of statutory construction FORBID adding anything to the above definition of “trade or business”.

“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary meaning.” Meese v. Keene, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition of the term excludes unstated meanings of that term"); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a rule, a definition which declares what a term ‘means’... excludes any meaning that is not stated"). Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 1530 U.S. 9431 (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the contrary.”

[Steinberg v. Garhart, 530 U.S. 914 (2000)]

“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another.” Bargen v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”


YOUR ANSWER (circle one): Admit/Deny

4. Admit that one cannot lawfully execute “the functions of a public office” without in fact and in deed BEING a “public officer”.

YOUR ANSWER (circle one): Admit/Deny

5. Admit that a Currency Transaction Report (C.T.R.) filed against those NOT lawfully engaged in a “public office” is a FALSE report because it misrepresents the civil STATUS of the person it describes.
YOUR ANSWER (circle one):  Admit/Deny

6. Admit that it is a federal crime to file a false Currency Transaction Report (C.T.R.).
YOUR ANSWER (circle one):  Admit/Deny

7. Admit that following crimes occur when a Currency Transaction Report (C.T.R.) is filed against those NOT lawfully engaged in a public office.
7.3 18 U.S.C. §1005: Bank entries, reports, and transactions. Makes it a crime punishable by 30 years in prison and a $1,000,000 fine to falsify any bank report.
YOUR ANSWER (circle one):  Admit/Deny

8. Admit that a wrongfully submitted CTR filed against those not lawfully engaged in a public office may not be used as evidence in a criminal prosecution because it violates the U.S. Supreme Courts “Fruit of a Poisonous Tree Doctrine” described in Wong Sun v. United States, 371 U.S. 471, 83 S.Ct. 407, 9 L.Ed.2d. 441 (1963); Silverthorne Lumber Co. v. United States, 251 U.S. 385, 40 S.Ct. 182, 64 L.Ed. 319 (1920).
YOUR ANSWER (circle one):  Admit/Deny

9. Admit that all those tho OBEY or ENFORCE any federal law are in fact agents of the government.

“A private person cannot make constitutions or laws, nor can he with authority construe them, nor can he administer or execute them.”
[United States v. Harris, 106 U.S. 629, 1 S.Ct. 601, 27 L.Ed. 290 (1883)]

“All the powers of the government [including ALL of its civil enforcement powers against the public] must be carried into operation by individual agency, either through the medium of public officers, or contracts made with private individuals.”

“The reason why States are “bodies politic and corporate” is simple: just as a corporation is an entity that can act only through its agents, “the State is a political corporate body, can act only through agents, and can command only by laws.” Pointepler v. Greenhow, supra, 114 U.S. at 288, 5 S.Ct. at 912-913. See also Black’s Law Dictionary 159 (36th ed. 1979) (“Bodies politic or corporate.” ““A social compact by which the whole people covenants with each citizen, and each citizen with the whole people, that all shall be governed by certain laws for the common good”). As a “body politic and corporate,” a State falls squarely within the Dictionary Act's definition of a “person.”

“The government thus lays a tax, through the [GOVERNMENT] instrumentality [PUBLIC OFFICE] of the company [a FEDERAL and not STATE corporation], upon the income of a non-resident alien over whom it cannot justly exercise any control, nor upon whom it can justly lay any burden.”
[United States v. Erie R. Co., 106 U.S. 527 (1882)]
YOUR ANSWER (circle one):  Admit/Deny

10. Admit that involuntary servitude in violation of the Thirteenth Amendment has occurred when anyone is compelled, against their will, to become an officer or agent of the government, or to obey any federal civil law without demonstrated evidence of their consent to be SUBJECT to such law.

Peonage. A condition of servitude (prohibited by the 13th Amendment) compelling persons to perform labor in order to pay off a debt.

“That it does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude, except as a punishment for crime, is too clear for argument. Slavery implies involuntary servitude—a state of bondage: the ownership of mankind as a chattel, or at least the control of the labor and services of one man for the benefit of another, and the absence of a legal right to the disposal of his own person, property, and services [in their entirety]. This amendment was said in the Slaughter House Cases, 16 Wall. 36, to have been intended...
primarily to abolish slavery, as it had been previously known in this country, and that it equally forbade Mexican
peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude and that the use of
the word 'servitude' was intended to prohibit the use of all forms of involuntary slavery, of whatever class or
name."  
[Plessy v. Ferguson, 163 U.S. 537, 542 (1896)]

YOUR ANSWER (circle one): Admit/Deny

13.3 Questions about lawful “money”

1. Admit that lawful money, as used in the Constitution, includes ONLY gold and silver.

United States Constitution
Article I, Section 10, Clause 1

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Repraison; coin
Money; emit Bills of Credit; make any Thing but gold and silver Coin as Tender in Payment of Debts; pass any
Bill of Attainder, ex post facto Law, Law impairing the Obligation of Contracts, or grant any Title of Nobility."

YOUR ANSWER (circle one): Admit/Deny

2. Admit that the legal definition of “money” excludes “notes”:

Money: In usual and ordinary acceptance it means coins and paper currency used as circulating medium of
exchange, and does not embrace notes, bonds, evidences of debt, or other personal or real
estate. Lane v. Railey, 280 Ky. 319, 133 S.W.2d. 74, 79, 81.

YOUR ANSWER (circle one): Admit/Deny

3. Admit that the word “note” and “obligation” are synonymous.

YOUR ANSWER (circle one): Admit/Deny

4. Admit that Federal Reserve Notes are obligations of the U.S. government and are the same “notes” described in the legal

TITLE 12 > CHAPTER 2 > SUBCHAPTER XII > Sec. 411.
Sec. 411. - Issuance to reserve banks; nature of obligation; redemption

Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for
the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set
forth and for no other purpose, are authorized. The said notes shall be obligations
of the United States and shall be receivable by all national and member banks and Federal reserve
banks and for all taxes, customs, and other public dues. They shall be redeemed in
lawful money on demand at the Treasury Department of the
United States, in the city of Washington, District of Columbia,
or at any Federal Reserve bank

YOUR ANSWER (circle one): Admit/Deny

5. Admit that based on 12 U.S.C. §411 in the previous question, the term “Federal Reserve Notes” and the term “lawful
money” are NOT synonymous, or else the statute would be redundant and unnecessary.

YOUR ANSWER (circle one): Admit/Deny

6. Admit that redeemability of Federal Reserve Notes in “lawful money” is what makes them money as legally defined in
Black’s Law Dictionary.

YOUR ANSWER (circle one): Admit/Deny


YOUR ANSWER (circle one): Admit/Deny

8. Admit that Presidential Proclamation 4074 was issued under the authority of 12 U.S.C. §95a and 12 U.S.C. §95b, which delegates lawmakers powers to the President ONLY in the case of national emergencies.

YOUR ANSWER (circle one): Admit/Deny

9. Admit that Presidential Proclamation 4074 is still in force, and therefore a state of national emergency is the ONLY justification for continuing to suspend redeemability of Federal Reserve Notes in gold or silver.

YOUR ANSWER (circle one): Admit/Deny

10. Admit that NO national emergency justifies suspending any provision of the United States Constitution or creating any new power within the national government.

"Emergency does not create power. Emergency does not increase granted power or remove or diminish the restrictions imposed upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the federal government and its limitations of the power of the States were determined in the light of emergency, and they are not altered by emergency. What power was thus granted and what limitations were thus imposed are questions [290 U.S. 398, 426] which have always been, and always will be, the subject of close examination under our constitutional system.

"While emergency does not create power, emergency may furnish the occasion for the exercise of power. Although an emergency may not call into life a power which has never lived, nevertheless emergency may afford a reason for the exertion of a living power already enjoyed.' Wilson v. New, 243 U.S. 332, 348 , 37 S.Ct. 298, 302, L.R.A. 1917E, 938, Ann.Cas. 1918A, 1024.

[Home Bldg. & Loan Ass’n v. Blaisdell, 290 U.S. 398 (1934)]

"No emergency justifies the violation of any of the provisions of the United States Constitution. An emergency, however, while it cannot create power, increase granted power, or remove or diminish the restrictions imposed upon the power granted or reserved, may allow the exercise of power already in existence, but not exercised except during an emergency."

The circumstances in which the executive branch may exercise extraordinary powers under the Constitution are very narrow; the danger must be immediate and impending, or the necessity urgent for the public service, such as will not admit of delay, and where the action of the civil authority would be too late in providing the means which the occasion calls for. For example, there is no basis in the Constitution for the seizure of steel mills during a wartime labor dispute, despite the President’s claim that the war effort would be crippled if the mills were shut down."

[16 American Jurisprudence 2d, Constitutional Law, §52 (1999)]

126 Veix v. Sixth Ward Building & Loan Ass’n of Newark, 310 U.S. 32, 60 S. Ct. 792, 84 L. Ed. 1061 (1940); Home Bldg. & Loan Ass’n v. Blaisdell, 290 U.S. 398, 54 S. Ct. 231, 78 L. Ed. 413, 88 A.L.R. 1481 (1934).

The Constitution was adopted in a period of grave emergency and its grants of power to the Federal Government and its limitations of the power of the states were determined in the light of emergency, and are not altered by emergency. First Trust Co. of Lincoln v. Smith, 134 Neb. 84, 277 N.W. 762 (1938).


YOUR ANSWER (circle one): Admit/Deny

11. Admit that the authority to mint money is derived from Constitution Article 1, Section 8, Clause 5.

U.S. Constitution

Article 1, Section 8, Clause 5

The Congress shall have Power To . . .

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures

YOUR ANSWER (circle one): Admit/Deny

12. Admit that no power granted to the government by the Constitution may be delegated either to a branch of government not authorized to exercise it or to a private company or corporation without violating the Constitution and the separation of powers doctrine.

The police power includes all measures for the protection of the life, the health, the property, and the welfare of the inhabitants, and for the promotion of good order and the public morals. It covers the suppression of nuisances, whether injurious to the public health, like unwholesome trades, or to the public morals, like gambling-houses and lottery tickets. Slaughter-House Cases, 16 Wall. 36, 62, 87; Fertilizing Co. v. Hyde Park, 97 U.S. 659; Phalen v. Virginia, 8 How. 163, 168; Stone v. Mississippi, 101 U.S. 814. This power, being essential to the maintenance of the authority of local government, and to the safety and welfare of the people, is inalienable. As was said by Chief Justice WAITE, referring to earlier decisions to the same effect: "No legislature can bargain away the public health or the public morals. The people themselves cannot do it, much less their servants. The supervision of both these subjects of governmental power is continuing in its nature, and they are to be dealt with as the special exigencies of the moment may require. Government is organized with a view to their preservation, and cannot divest itself of the power to provide for them. For this purpose the legislature is allowed, and the discretion cannot be parted with any more than the power itself." Stone v. Mississippi, 101 U.S. 814, 819. See, also, Butchers' Union, etc., Co. v. Crescent City, etc., Co., 111 U.S. 746, 753, 4 S. Sup.Ct.Rep. 652; New Orleans Gas Co. v. Louisiana Light Co., 113 U.S. 650, 672, 6 S Sup.Ct.Rep. 232; New Orleans v. Houston, 119 U.S. 265, 275, 7 S Sup.Ct.Rep. 198."

[Leisy v. Hardin, 135 U.S. 100 (1890)]

"Whatever differences of opinion, said the court, [in the case of Beer Co. v. Massachusetts, 97 U.S. 28.] 'may exist as to the extent and boundaries of the police power, and however difficult it may be to render a satisfactory definition of it, there seems to be no doubt that it does extend to the protection of the lives, health, and property of the citizens, and to the preservation of good order and public morals. The legislature cannot by any contract divest itself of the power to provide for these objects. They belong emphatically to that class of objects which demand the application of the maxim, salus populi suprema lex, and they are to be attained and provided for by such appropriate means as the legislative discretion may devise. That discretion can no more be bargained away than the power itself.'"

...

"In the still more recent case of Stone v. Mississippi, 101 U.S. 814, the whole subject is reviewed in the opinion delivered [111 U.S. 746, 753] by the chief justice. That also was a case of a chartered lottery, whose charter was repealed by a constitution of the state subsequently adopted. It came here for relief, relying on the clause of the federal constitution against impairing the obligation of contracts. The question is therefore presented, (says the opinion,) whether, in view of these facts, the legislature of a state can, by the charter of a lottery company, defeat the will of the people authoritatively expressed, in relation to the further continuance of such business in their midst. We think it cannot. No legislature can bargain away the public health or the public morals. The people themselves cannot do it, much less their servants. The supervision of both these subjects of governmental power is continuing in its nature, and they are to be dealt with as the special exigencies of the moment may require. Government is organized with a view to their preservation, and cannot divest itself of the power to provide for them. For this purpose the legislative discretion is allowed, and the discretion cannot be parted with any more than the power itself."

[Butchers' Union Co. v. Crescent City Co., 111 U.S. 746 (1884)]

YOUR ANSWER (circle one): Admit/Deny

13. Admit that a just monetary system that is compliant with the Constitution directly impacts and affects the public health, safety, and morals.
YOUR ANSWER (circle one): Admit/Deny

14. Admit that the Federal Reserve is a private corporation and is not more federal than Federal Express.

See:
1. *The Creature from Jekyll Island*, G. Edward Griffin, Form #11.508
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)

YOUR ANSWER (circle one): Admit/Deny

15. Admit that the authority to borrow is derived from Constitution Article 1, Section 8, Clause 2.

   *United States Constitution*

   *Article 1, Section 8, Clause 2*

   *The Congress shall have Power. . .
   
   To borrow Money on the credit of the United States;*

YOUR ANSWER (circle one): Admit/Deny

16. Admit that Federal Reserve Notes are not signed by the LENDER and that the two signatures appearing on the note are the BORROWER and not the LENDER.

YOUR ANSWER (circle one): Admit/Deny

17. Admit that you cannot lend money to yourself, and therefore the federal reserve HAD to be a private third party corporation rather than part of the government.

   *One may not do an act to himself:*

   *Nemo potest sibi devere. No one can owe to himself. See Confusion of Rights.*

   *Nemo agit in seipsum. No man acts against himself; Jenk. Cent. 40; therefore no man can be a judge in his own cause.*


   "You shall not charge interest to your brother [or yourself who is also a “brother”]--interest on money or food or anything that is lent out at interest."
   [Deut. 23:19, Bible, NKJV ]

   "To a foreigner you may charge interest, but to your brother you shall not charge interest, that the Lord your God may bless you in all to which you set your hand in the land which you are entering to possess."
   [Deut. 23:20, Bible, NKJV]

YOUR ANSWER (circle one): Admit/Deny

18. Admit that so long as Federal Reserve Notes are not redeemable in gold and silver, the national government has:

   18.1 Replaced its power to mint money with its power to borrow money and . . .
   18.2 Granted to the Federal Reserve, a private corporation, the exclusive right to essentially mint money by creating it out of nothing and . . .
   18.3 Delegated a public function to a private corporation in violation of the Constitution and the Separation of Powers doctrine.
YOUR ANSWER (circle one): Admit/Deny

19. Admit that the original United States of America Money Act of 1792, 1 Stat. 246-251 is still in full force and effect and has NEVER been repealed.

YOUR ANSWER (circle one): Admit/Deny

20. Admit that section 11 of the original United States of America Money Act of 1792, 1 Stat. 246-251 requires that the weight of precious metal in a lawful money coin must be proportional to its face value:

United States of America Money Act, 1792
1 Stat. 246-251

Section 11. And be it further enacted, That the proportional value of gold and silver in all coins which shall by law be current as money within the United States, shall be fifteen to one, according to quantity in weight, of pure gold or pure silver; that is to say, every fifteen pounds weight of pure silver shall be of equal value in all payments, with one pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals.

YOUR ANSWER (circle one): Admit/Deny

21. Admit that unjust weights and measures are an abomination to God in the Bible.

"Dishonest scales are an abomination to the LORD,
But a just weight is His delight." [Prov. 11:1, Bible, NKJV]

"Diverse weights and diverse measures,
They are both alike, an abomination to the LORD."
[Prov. 20:10, Bible, NKJV]

"As religion towards God is a branch of universal righteousness (he is not an honest man that is not devout), so righteousness towards men is a branch of true religion, for he is not a godly man that is not honest, nor can he expect that his devotion should be accepted; for,

1. Nothing is more offensive to God than deceit in commerce. A false balance is here put for all manner of unjust and fraudulent practices [of our public dis-servants] in dealing with any person [within the public], which are all an abomination to the Lord, and render those abominable [hated] to him that allow themselves in the use of such accursed arts of thriving. It is an affront to justice, which God is the patron of, as well as a wrong to our neighbour, whom God is the protector of. Men [in the IRS and the Congress] make light of such frauds, and think there is no sin in that which there is money to be got by, and, while it passes undiscovered, they cannot blame themselves for it; al lot is no blot till it is hit, Hos. 12:7, 8. But they are not the less an abomination to God, who will be the avenger of those that are defrauded by their brethren.

2. Nothing is more pleasing to God than fair and honest dealing, nor more necessary to make us and our devotions acceptable to him: A just weight is his delight. He himself goes by a just weight, and holds the scale of judgment with an even hand, and therefore is pleased with those that are herein followers of him.

A [false] balance, [whether it be in the federal courtroom or at the IRS or in the marketplace,] cheats, under pretence of doing right most exactly, and therefore is the greater abomination to God."


YOUR ANSWER (circle one): Admit/Deny

22. Admit that unjust weights and measures include issuing money that is not directly and uniformly proportional to the amount of precious metal contained in the coin.

YOUR ANSWER (circle one): Admit/Deny

23. Admit that:
23.1 A ¼ ounce American Eagle gold coin has a face value of ten dollars. . . and
23.2 A one ounce American Eagle has a face value of $50 . . . and
23.3 The amount of precious metal contained in these two coins is NOT proportional to the weight.

Table 3: Non-proportionality of American Eagle Gold Coins

<table>
<thead>
<tr>
<th>#</th>
<th>American Eagle Gold Coin Size</th>
<th>Face Value</th>
<th>Value of gold in face value dollars per ounce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 ounce</td>
<td>$50</td>
<td>$50</td>
</tr>
<tr>
<td>2</td>
<td>½ ounce</td>
<td>$25</td>
<td>$50</td>
</tr>
<tr>
<td>3</td>
<td>¼ ounce</td>
<td>$10</td>
<td>$40</td>
</tr>
</tbody>
</table>

See also: U.S. Mint Website: http://www.usmint.gov/

YOUR ANSWER (circle one): Admit/Deny

24. Admit that American Eagle Coins issued by the U.S. Mint are an abomination to the Lord because they implement an unjust weight and measure not making the amount of precious metal in the coin proportional to the face value.

YOUR ANSWER (circle one): Admit/Deny

25. Admit that the following phrase found on currently issued Federal Reserve Notes does NOT appear in any statute in Title 12 of the U.S. Code or in any statute from the Statutes At Large currently in force:

“THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE”

YOUR ANSWER (circle one): Admit/Deny

26. Admit that the last statute that did expressly use the above language was found in H.J.R. 192, 48 Stat. 112-113, which was repealed when Title 31 was codified into positive law in 1982 with Public Law 97-258, 96 Stat. 1068.

YOUR ANSWER (circle one): Admit/Deny

27. Admit that the only authority statute currently in force that identifies the legal tender status of current Federal Reserve Notes is 12 U.S.C. §411, which says on this subject:

12 U.S.C. §411

The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues.

28. Admit that the language of 12 U.S.C. §411 says NOTHING about “private debts” and that the ability to regulate PRIVATE conduct is “repugnant to the Constitution” as held by the U.S. Supreme Court.

“The power to "legislate generally upon [PRIVATE] . . . life, liberty, and property, as opposed to the "power to provide modes of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States v. Reese, 92 U.S. 214, 218 (1876); United States v. Harris, 106 U.S. 629, 639 (1883); James v. Bowman, 190 U.S. 127, 139 (1903); Although the specific holdings of these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964); United States v. Guest, 338 U.S. 745 (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not been questioned."

[City of Boerne v. Flores, Archbishop of San Antonio, 521 U.S. 507 (1997)]

YOUR ANSWER (circle one): Admit/Deny

29. Admit that Federal Reserve Notes are legislatively mandated for “public” conduct and NOT private conduct, and therefore are only for use internal to the U.S. government by instrumentalities and officers of the government.

“[T]he states are prohibited from emitting bills of credit; but congress, which is neither expressly authorized nor expressly forbidden to do so, has, as we have already seen, been held to have the power of emitting bills of..."
YOUR ANSWER (circle one): Admit/Deny

30. Admit that there are THREE distinct and different types of Federal Reserve Notes found in U.S. law historically:
   30.1 “Federal reserve note” (FRn): These are the notes currently issued and in circulation. Mentioned in the current 12 U.S.C. §411 and in the original Federal Reserve Act, 38 Stat. 251, Chap. 6, Section 16. These notes are not “legal tender” for private purposes and may ONLY be used internally within the Federal Reserve System and not for private uses.
   30.2 “Federal Reserve note” (FRn): Mentioned in H.J.R. 192, which has been repealed by Public Law 97-258, 96 Stat. 1068. These notes were made legal tender by H.J.R. 192, but this act has been repealed and therefore may not lawfully be issued.
   30.3 “Federal Reserve Note” (FRN): This name nowhere appears in any enactment of Congress. Notes currently issued bear this inscription.

YOUR ANSWER (circle one): Admit/Deny

31. Admit that using different legal terms to describe a thing imply a DIFFERENT thing:

   "Talis non est eadem, nam nullem similis est idem.
   What is like is not the same, for nothing similar is the same. 4 Co. 18."

YOUR ANSWER (circle one): Admit/Deny

32. Admit that without lawful “money” as legally defined, there can be no such thing as “money laundering”.

YOUR ANSWER (circle one): Admit/Deny

13.4 Affirmation

I declare under penalty of perjury as required under 26 U.S.C. §6065 that the answers provided by me to the foregoing questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these answers are completely consistent with each other and with my understanding of both the Constitution of the United States, Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual, and the rulings of the Supreme Court but not necessarily lower federal courts.

Name (print): ____________________________________________
Signature: _______________________________________________
Date: _____________________________
Witness name (print): _____________________________
Witness Signature: _______________________________________
Witness Date: _____________________________