

At The DOJ's Instigation, Federal Courts Have Made Deliberately False “Findings” About The Content Of CtC

Here is the text of [an order issued by federal district court judge Nancy Edmunds](#) in which she falsely asserts that [Cracking the Code- The Fascinating Truth About Taxation In America](#) (CtC) makes the absurd claim that only federal, state and local government workers are subject to the tax (a falsehood [initially made by the DOJ](#) in the lawsuit in which it asked for this order):

ORDERED, that Defendants are prohibited from filing any tax return, amended return, form (including, but not limited to Form 4852 (“Substitute for Form W-2 Wage and Tax Statements, etc.”)) or other writing with the IRS that is based on the false and frivolous claims set forth in Cracking the Code that only federal, state or local government workers are liable for the payment of federal income tax or subject to the withholding of federal income, social security and Medicare taxes from their wages under the internal revenue laws (26 U.S.C.);

The falseness and inanity of this assertion ([which was actually written by the DOJ](#)) is best (or, at least, most easily) illustrated by the fact that the “Defendants” to whom this order is directed do, in fact, report taxable income on most of their returns, despite not working for the government. See [their 2002 filing here](#); and see [their 2003 filing here](#), on which some of the reported income was not offset by exemptions or deductions and a liability was calculated and paid.

The returns you've just examined were in Edmunds' hands when this false assertion about CtC was made. Much more dramatic proof of the deliberate falseness of Edmunds' “finding” concerning the content of CtC lies in the fact that Edmunds had never read the book in the first place, [as she was forced to admit years later](#).

Plainly, Edmunds could not under any circumstances or by any device have come to honest and valid conclusions about what is said in a book which she has never read.

Had Edmunds actually read the book about which she pretended to be able to issue “findings”, she would have found the already-dispositive point above emphasized by the prominent appearance [on pp. 13 and 14](#)-- the second and third page in the portion of the book dedicated to explaining the specific nature of the income tax-- of this:

Sec. 90. And be it further enacted, That there shall be levied, collected, and paid annually, upon the annual gains, profits, or income of every person residing in the United States, whether derived from any kind of property, rents, interest, dividends, salaries, or from any profession, trade, employment, or vocation carried on in the United States or elsewhere, or from any other source whatever; except as hereinafter mentioned, if such annual gains, profits, or income exceed the sum of six hundred dollars, and do not exceed the sum of ten thousand dollars, a duty of three per centum on the amount of such annual gains, profits, or income over and above the said sum of six hundred dollars; if said income exceeds the sum of ten thousand dollars, a duty of five per centum upon the amount thereof exceeding six hundred dollars;...” (The section goes on to extend the tax to citizens residing abroad who are not government workers at a rate of 5% and without the \$600 exemption).

This section of the 1862 Revenue Act imposing the tax on all manner of non-government workers-- and my parenthetic note emphasizing that fact-- immediately follow the reproduction in CtC of Sec. 86 of the same act, in which the tax is also laid on the federal workforce and officeholders. The continuity of sections 86 and 90, among others, as the law of the land to this day is a key point in the book.

Further, the application of the tax to non-government persons is referenced, described, implied and overtly declared in many other places throughout CtC, as well. For instance, two concise summaries of the overall proper objects of the current tax appear [on pages 88 and 89](#). The first declares them to include, *"activities for which one is paid by the federal government or a federal agency or instrumentality; activities effectively connected with the performance of the functions of a public office; activities as a federal, federal instrumentality, or federally chartered "State" worker; or activities as a paid officer of a federal corporation,..."*

The distinction of *"activities as a federal, federal instrumentality, or federally chartered "State" worker"* as a subclass of all tax-relevant "income"-producing activities separate from the others listed in this summary makes clear that the other activities listed are *not* those of federal workers. And yet they are declared to be activities subject to the tax.

The summary on the following page offers an alternative "boil-down". Here, the receipt of *benefits* paid by the federal government, its agencies, instrumentalities and "State" governments is identified as a taxable activity, and is expressly distinguished from receiving *"remuneration for services"*.

All of this makes it impossible to misunderstand that both government and non-government persons are made subject to the tax by the law whenever either engages in any taxable activity; that this can be done in many ways beside working for a government; and that CtC flatly acknowledges these facts. In claiming to have "found" otherwise, Edmunds is simply lying.

Edmunds couldn't even pretend to have come to conclusions about the content of CtC by resting on the testimony of others. [She never held so much as a single hearing](#) before signing the judgment making the false argument-ascription to the book.

What we have, then, is a compound deception. Nancy Edmunds lied by implying that she had any basis for making "findings" or orders relating to CtC's content. At the same time, Robert Metcalfe, who [claims that he did read CtC](#), and supported his lawsuit "complaint" with a sworn declaration by a purported IRS official named "Shauna Henline" who claimed to have read the book, lied directly about that content, with Edmunds aiding and abetting his falsehood by pretending Metcalfe's false allegation to be her own, and imbuing it with the heft of a judicial ruling.

If you're interested, you can see some statements contradicting Edmunds' and the DOJ's falsehoods about CtC (both the one discussed above and some others) by some folks who HAVE read the book [here](#). You can also see how the IRS and state tax agencies respond to people who have read the book [here](#), responses which demonstrate in the most unambiguous way possible that what the book really DOES say is anything but "false and frivolous".

The “[O]nly federal, state or local government workers are ... subject to the withholding of federal income, social security and Medicare taxes from their wages” part of the order Metcalfe wrote is also false. It is just false in a more clever and devious way.

For example, CtC discusses the provisions of law applying withholding to federal workers. But it says no such thing regarding the application of withholding to the pay of state or local government workers, as those terms are commonly used.

At the same time, CtC *does* discuss provisions in the law for application of withholding to any kind of worker, private-sector workers included. [On pp. 149-151 of the book](#) are found a reproduction and discussion of the statute at 26 U.S.C. § 3402(p)(3)(B), which provides for withholding from any sort of worker when the relevant company and worker agree to have this happen. In such cases, the law declares that, “*remuneration or other payments with respect to which such agreement is made shall be treated as if they were wages...*”.

Elsewhere in the book are found reproductions and discussions of other provisions in the law applying withholding to revenue of persons who are not government workers. Any and all of these other provisions could effectively mean withholding from a worker's pay.

Plainly, the ascription of the “[O]nly federal, state or local government workers are ... subject to the withholding of federal income, social security and Medicare taxes from their wages” argument to CtC is also false. Further, like the “only federal, state and local government workers are liable for the payment of federal income tax” nonsense, the “withholding” argument ascription has to have been known to be false by Metcalfe, and not known to be true by Edmunds.

Finally, those interested in the overall context and ongoing campaign in which the frauds discussed and debunked above were committed-- which I hope will be everyone-- can learn about them in the very appropriately-titled post, '[Crime of the Century](#)'.

By the way, don't let it escape you that there can only be one reason for government officials to fraudulently ascribe incorrect arguments to a book. That reason is that there are no *actual* incorrect arguments in the book by which it can be disparaged or disputed.

Instead, the book is 100% correct. The “problem” is that the truth it communicates is deeply-threatening to the corrupt government scheme it exposes and for which it provides the remedy.

Maybe you should read it...



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