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March 15, 2006

Senator Charles E. Grassley, Chairman
Senator Max Baucus, Ranking Member
United States Senate Committee on Finance
Washington, DC 20510

Re: Supplemental report to the 2001 Committee Testimony

Dear Sirs:

The purpose of this letter is to respond to your recent request that I provide an update to my 2001 testimony before the Committee on the subject of “Taxpayer Beware: Schemes, Scams, & Cons.”

Background

As you may recall, my 2001 written and oral testimony focused primarily on tax scams being mass marketed on the internet to a wide variety of consumers. Some online buyers are long term tax cheats who are simply looking for new excuses not to pay, but many others are hapless victims who believe that what they are buying is a legal tax avoidance technique.

Since 2001, the online tax scam market has gone through some dazzling highs and lows. As a result of well financed websites, active political discussion groups, professionally produced video materials, national conferences, and media exposure in such respected forums as C-Span, the “detax gurus” who peddle their products online found an enormous market of angry Americans who wanted to vent their frustrations at the US government by paying no income taxes at all.

By 2002, additional factors such as uncertain economic conditions, the war in Iraq, and lack of enforcement from the IRS, enabled the online anti-tax movement to grow significantly.

The label “Tax Protestor” isn’t an accurate description.

While protesting taxes is certainly not new in this country, the internet movement differs considerably from the tax protest activities of prior generations. In past acts of protest, such as those who refused to pay taxes that supported the Vietnam War, the participants did so with an understanding of the consequences (you could go to prison), and recruited others to the cause with full disclosure of the negative things that might result. Such tax evasion was an act of civil disobedience.

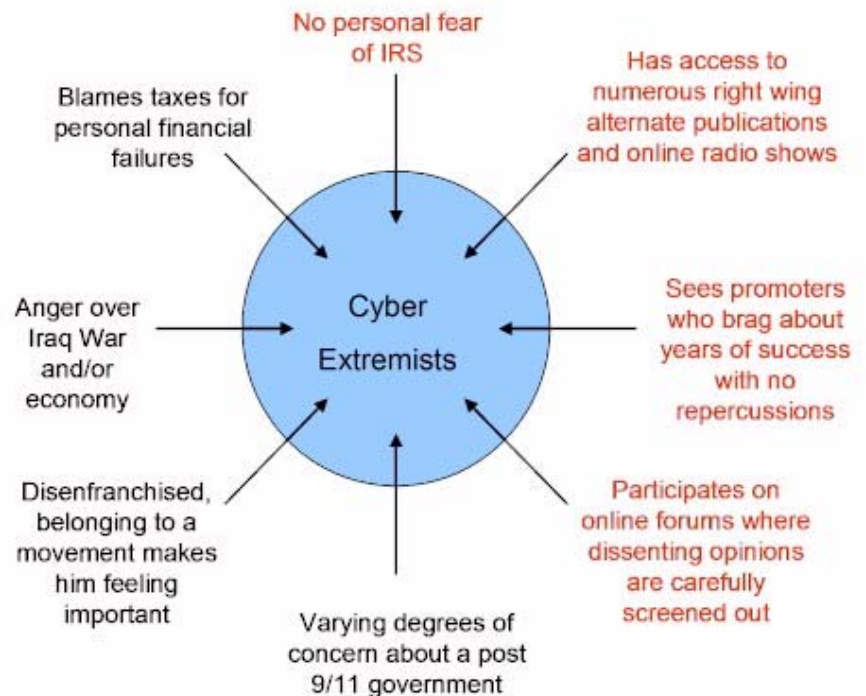
This new generation of tax evaders is different. They want the benefits of withholding funds from government (personal enrichment, punishing government programs they don’t like) without

any of the negative consequences. They are not practicing civil disobedience; they are following a cult-like belief system made up of absurd pseudo-legal theories and wild-eyed conspiracy tales.

They concoct nonsensical schemes about how income taxes are unconstitutional, they take Supreme Court quotes out of context, and they twist the meaning of common words such as “employee,” “includes,” “citizen,” or even the “United States” to try to prove that they are legally correct in paying no taxes at all. Even when their scheme loses in numerous courts of law, they simply accuse those judges and juries of participating in an anti-American conspiracy against them. Since the new generation of tax evaders denies that any income tax laws make them liable, the label “tax denier” is perhaps more accurate than “tax protester.”

While it may seem absurd to most Americans that anyone could honestly believe in such tax denier schemes, the numbers nonetheless appear to be growing rapidly on the internet. In the past, tax deniers were generally found in closed groups in isolated communities such as Montana, Idaho, or Texas, but now they thrive in large groups online. While no formal studies have been done about who makes up the modern tax denier movement, and indeed the IRS is explicitly prohibited from monitoring the movement as a group, close observation of several hundred online participants in the anti-tax community reveals several common factors (see diagram below.)

While several of these factors are political or personal issues that are beyond the jurisdiction of the IRS and Justice Department, the concerns on the right (in red) are items that can be and should be addressed by the government agencies in charge of enforcing the income tax laws:



- 1) The IRS needs to increase the number of tax deniers under audit, collection, and criminal investigation -- word of moth about such increased scrutiny will cause new potential members to rethink the choices they make;
- 2) The IRS and DOJ need to shut down promoters both civilly and criminally to send a clear message to their clients that their methods don't work;
- 3) The government needs to provide clearly written and easily understood fact sheets and websites to counter the myths and misconceptions being peddled by the promoters; and
- 4) All agencies need to communicate clearly and quickly with the press to ensure that the above efforts receive the maximum exposure, both online and in the traditional media.

The IRS Has Published Key Documents Online

Thanks to the attention brought to these issues by the Committee in the 2001 and later hearings, the Internal Revenue Service and the Department of Justice have made considerable headway into slowing down the tax denier movement.

The IRS, for example, has published numerous important guidelines and revenue rulings which not only counter the claims and promises made by the promoters, but serve to provide the followers with effective notice that these schemes don't work, an important issue if and when tax evaders end up in court.

The Truth about Frivolous Tax Arguments

<http://www.irs.gov/pub/irs-utl/frivolousarguments-3-14-2005.pdf>

Tax Scams and How to Recognize and Avoid Them

<http://www.irs.gov/businesses/small/article/0,,id=106788,00.html>

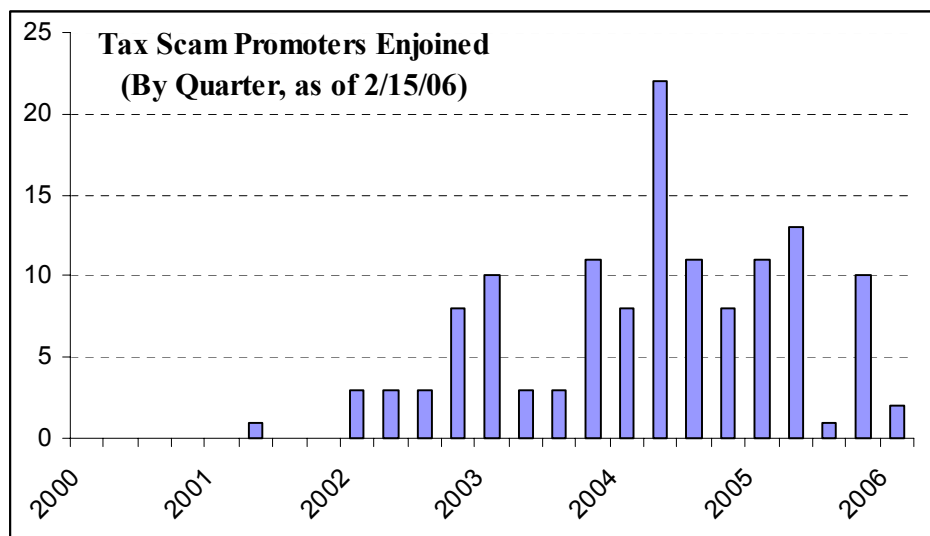
The Annual Announcement of the Dirty Dozen Tax Scams

<http://www.irs.gov/newsroom/article/0,,id=154293,00.html>

Recommendation: The IRS needs to continue producing such consumer education materials and targeted Revenue Rulings. They should, however, make such important information easier to find on their website, perhaps pooling all of these publications on a separate scam related site.

The turning of the tide in 2002 – The Civil Injunctions

By far the most effective strategy used in recent years has been the Justice Department's filing of civil injunctions against key promoters. More than 135 tax scam promoters have now been shut down, their clients lists (representing thousands of clients) turned over to the IRS, their websites gone. The campaign has been fast, thorough, and very well documented on the DOJ website so that search engines such as Google.com will pick up the crucial information for curious future potential victims.



Recommendation: My only recommendation is that the DOJ continue this aggressive campaign, and that they focus on the detax industry leaders. The tax denier industry, while only loosely organized, is nonetheless a national movement, and targeting key promoters will be more effective than targeting a larger number of random promoters.

One step to aide the government's efforts to target key leaders in this movement is to amend existing laws to once again allow the IRS to label particular taxpayers as tax protestors or tax deniers. In order to provide meaningful statistics and plot an effective enforcement campaign, the Service needs to be able to track and analyze the people who aren't paying.

An Example

The most successful tax denial promoter in history is Irwin Schiff of Las Vegas, NV. Over the past thirty years, this colorful character has recruited an estimated minimum of 50,000 new members to the anti-tax movement, and the cost to the government in terms of collection efforts, due process hearings, tax court expenses, district court costs, and so on is monumental.

Irwin Schiff was convicted on multiple tax related felony counts last fall, and was recently sentenced to spend 163 months in a Federal prison. His 50,000+ followers are now scrambling to find a new leader. Many will end up with a promoter in Michigan named Peter E. Hendrickson; others have decided to hang their hats with a dozen or so other promoters. Still others will simply drop out of the tax system entirely.

Last year, Schiff followers filed "Schiff returns" which contained nothing but zeroes on every line of the 1040 with a two page attachment containing out of context quotes from unrelated court cases. This year, they could file dozens of different variations, or not file any forms at all. I can track where many of the Schiff followers are going through anecdotal evidence. The IRS can't track them at all.

Tax deniers move from promoter to promoter. By allowing the IRS to once again label tax deniers as what they are, the Service can have a better idea of who the real leaders in this movement are, and who to target for civil injunction and criminal prosecution.

Frivolous Filing penalties against non-promoters

Under current law, when a tax denier files frivolous arguments on or with his original or amended tax return in an attempt to evade taxes, the IRS has the ability to fine that person \$500. In the past couple of years, Congress has considered various bills which would increase the frivolous filing penalty from \$500 to \$5,000 if the tax denier continues to rely on a frivolous argument which the IRS would place on a public list of schemes that don't work. Such legislation would also apply to frivolous arguments raised in collection due process hearings, offer in compromise submissions, and installment agreements.

Recommendation: I strongly recommend that this legislation be passed. Thousands of IRS man hours are wasted each year when tax deniers try to raise frivolous issues that have repeatedly lost in the courts. The potential increased penalty has caused quite a bit of concern among the online tax denier groups who feel that while the IRS won't spend much time going after \$500 to \$1,500 in fines, they certainly have more incentive when the penalties total \$5,000 to \$15,000. Furthermore, by requiring the IRS to provide clear written guidance in advance on which arguments are frivolous, a tax denier who nonetheless continues to make such arguments can not claim later in court that he or she wasn't given notice that the scheme didn't work.

The Criminal Trials

There have been a number of high profile trials in recent years, resulting in long prison sentences for the promoters.

The following cases are a small sample of the most noteworthy cases:

- **Irwin Schiff:** Promoted the "Zero Return" scheme. Schiff was convicted in October 2005 and sentenced to 163 months in prison.
- **Lynne Meredith:** Promoted pure trust schemes, and in 2005 was sentenced to 121 months in prison.
- **Larken Rose:** Promoted the Section 861 Scheme, was convicted of 5 misdemeanors in 2005 and sentenced to 15 months in prison.
- **Institute of Global Prosperity:** Multiple convictions and prison sentences ranging from a few months to 20 years in prison.

Furthermore, some of the individuals featured in the We the People advertisements that were used as exhibits in the 2001 Committee Hearing have also been tapped for criminal prosecution:

- **Al Thompson:** California business owner who stopped withholding, was convicted in 2005, and sentenced to 6 years in prison.
- **Richard Simkanin:** Texas business owner who stopped withholding, was convicted in 2004, and was sentenced to 7 years in prison.

Unlike the civil injunction cases which tend to be quick and efficient, the criminal cases involving the tax scam industry are slow and problematic. The length of time from investigation to conviction can take years to complete, leaving the promoter plenty of time to recruit new members to the movement.

Furthermore, even though the tax denier industry is a national movement, the criminal investigations and prosecutions appear to be done on a regional or local basis. When there are only sufficient resources to bring a couple hundred tax denier cases to trial each year, it is imperative that the government agencies work together on a national level to ensure that those cases which have the biggest effect on the industry as a whole be given priority.

An Example

You may recall from the 2001 hearing that a tax-exempt charity called We the People Foundation took out full page advertisements (See links below) in USA Today advocating the non-payment of taxes. One advertisement featured five business owners who had stopped withholding taxes from their employees' paychecks. A second ad highlighted three former IRS employees who believed that income taxes were unconstitutional and therefore should not be paid.

<http://www.givemeliberty.org/features/taxes/toto/totoad-03-02-01.pdf>
<http://www.givemeliberty.org/features/taxes/toto/totoad-02-16-01.pdf>

Joseph Banister, a former IRS Criminal Investigator, was one of the people featured in that second advertisement. He was indicted in 2004 on one count of conspiring to defraud the US government and three counts of assisting his client Al Thompson (a business owner from the first advertisement) in the filing of false returns.

Even though Banister was national figure with clients spread out throughout the United States, and even though he has done numerous national advertisements and conferences with the We the People organization and the other two ex-IRS employees, when it came time to indict him, only the activities that occurred within the District where he was investigated were considered. In other words, this national figure was investigated only for local crimes.

In 2005, Mr. Banister was acquitted on all counts while his client Mr. Thompson is currently serving six years in prison. The man who brought them together and funded the advertisements and national conferences, Robert Schulz of the We the People Foundation, has never faced any criminal charges at all.

Recommendation: Thanks to the internet, it is now easy to market a tax scam to a national audience. I strongly recommend that the IRS and Justice Department put together a team to 1) investigate national level tax evaders and promoters, 2) bring them to trial, and 3) coordinate with the civil side on ongoing civil investigations. I strongly recommend that the overall prosecution strategy be looked at on a national scale. As mentioned earlier, if you only have the resources to prosecute a few cases each, those cases should be prioritized for maximum effectiveness.

Investigation Time Frame

The length of time from investigation to trial is an enormous concern when every year that a case is delayed means that the promoter is able to recruit hundreds of new people to the movement. Irwin Schiff, for example, has been actively and aggressively marketing his "Zero Income" scheme since he was last released from prison in 1993. In the twelve years that he operated his successful anti-tax business, his clients cost the government tens of millions of lost taxes and literally thousands of IRS and judiciary man hours.

Recommendation: It is fairly common for a case to take three to four years to come to the attention of the criminal investigators, another three or so for them to investigate, another year to indict, and another year to bring to trial. The investigation phase needs to be sped up considerably.

Other Criminal Trial Issues

In 2005, the largest “861 Scheme” promoter in the country, Larken Rose, was indicted and convicted on five counts of Willful Failure to File a Tax Return. Under current law, if you are found guilty of filing a false return, it is a felony subject to considerable potential prison time and fines. Failing to file at all, however, is only a misdemeanor.

Crime	Code Section	Level	Max Fine	Max Prison Term
Willful Failure to File a Tax Return	26 USC §7203	Misdemeanor	\$100,000	1 year
Filing a False Return	26 USC §7206(1)	Felony	\$250,000	3 years
Tax Evasion	26 USC §7201	Felony	\$250,000	5 years
False Claims (Refund)	18 USC §287	Felony	\$1,000,000	5 years

As a result, even though convicted on all five counts, Mr. Rose’s prison time under Federal sentencing guidelines was only 15 months.

Recommendation: A few anti-tax promoters have noted the above disparity in the laws, and have recommended that their clients simply drop out of the tax system rather than risk the felony charges associated with the filing of false returns. Congress should consider bringing these crimes (and the potential punishments) into parity.

Furthermore, Congress should consider better defining the word “willful” as it applies to Federal income tax cases. The current standard is based on the 1991 Supreme Court case, *United States v. Cheek* (498 US 192), which states:

A good-faith misunderstanding of the law or a good-faith belief that one is not violating the law negates willfulness, whether or not the claimed belief or misunderstanding is objectively reasonable. (underline added)

Our tax system relies on voluntary compliance to succeed: if too many people cheat, the system collapses. Requiring that the willfulness element of the various tax crimes would be based on a reasonable misunderstanding would significantly reduce the number of absurd theories and frivolous defenses that are clogging our court system now.

Publicizing Victories

When the government only has the resources to enjoin or convict a limited number of promoters and cheats, it is imperative that these cases are brought to the attention of the public. The civil side of the Justice Department Tax Division, for example, produces a steady stream of press releases involving civil injunction and related cases which remain archived on their website for

anyone to see. They also provide these releases to tax trade publications that do an excellent job in keeping professional preparers up to speed.

<http://www.usdoj.gov/tax/taxpress2006.htm>

In comparison, the announcements and internet information for the criminal tax cases are irregular at best. Almost none are posted on the national DOJ website (www.usdoj.gov), those that are often don't get posted there for several days after conviction or sentencing, and others are placed only on Assistant US Attorney websites with little or no detail provided to pique the interest of either reporters or trade publications.

For example, until her conviction last year, Lynne Meredith was a nationally recognized anti-tax promoter of pure trust schemes. She had been featured on national television shows and in June, 2005 she was handed down a significant prison term. Her case should send a clear message to consumers who already have or who are considering getting involved in a pure trust scheme: these plans don't work and those who use them could go to prison. Her sentencing received almost no press, while there is a press release on the local AUSA website, there is nothing on the national website. Other cases, such as the recent conviction of police detective Patrick J. Dain, had no press release put out at all. Considering that a growing number of tax deniers are government employees (police officers, bailiffs, defense contractors, parole officers, and even an FBI agent) it shouldn't be difficult to generate press interest in such trials.

Recommendation: There needs to be a nationally coordinated effort to publicize important cases and current trends.

Identifying New Scams

As I tried to emphasize in my 2001 testimony, in addition to combing returns, matching documents, and analyzing internal data, the IRS needs to watch the tax industry itself to see what's being promoted. By looking at how various promoters pitch tax evasion schemes, refunds scams, for example, can be caught years earlier than they currently are.

An Example

Peter Hendrickson is a Michigan anti-tax promoter who has served time in prison for mailing a bomb to the IRS. As various promoters such as Irwin Schiff, Larken Rose, Lynne Meredith, and Thurston Bell have been enjoined and/or incarcerated, several of their followers are looking for a new leader and many have decided to join Hendrickson's program.

Hendrickson's plan relies on a tortured definition of the word "includes" and while his legal theories will eventually lose in the various courts, in the meantime, his followers are successfully getting full refunds of every tax dollar they've paid into the system in the past three years, including Social Security premiums.

It isn't difficult to locate who has received these erroneous refunds. On the contrary, Mr. Hendrickson scans in copies of the actual refund checks and statements and posts them on his website to better market his book.

<http://www.losthorizons.com/tax/MoreVictories.htm>

To date, Mr. Hendrickson brags that his clients have received at least \$821,913 in refunds. Client George Baer for example, has received two refund checks totaling more than \$50,000. Patrick Mooney would have received \$2,045 but the IRS first subtracted \$1,500 in frivolous filing penalties for the same tax years they are now issuing a refund, a rather ironic statement that the IRS was already aware that this taxpayer was a tax denier.

Matching W-2s to Form 1040s wouldn't catch these refunds in time since W-2 pass first to the Social Security Administration before being processed by the IRS, whereas refund requests are processed immediately.

Recommendation: As various promoters are shut down or incarcerated, the IRS should be watching where those clients go. Enabling the Service to once again label a tax denier as such should help considerably, but also setting up a task force to monitor the marketing efforts of the promoters would cut down the number of erroneous refunds and provide a more efficient list of promoters to be targeted for civil and criminal action.

In other cases, promoters market methods to get around current IRS reporting requirements. In one scheme, self employed individuals are advised to incorporate. If their clients pay them more than a minimum amount as individuals, the clients would be required to issue 1099s, and the IRS would therefore be notified of that income. If the individual incorporates, no 1099s are required and the self employed person is effectively under the radar screen.

In yet another case, a promoter who markets offshore investments claims that his product is arranged such that the taxpayer can answer "no" on the 1040 to the question regarding foreign accounts.

From <http://www.newfuelnow.com/commentary/september2005/schiff0926.htm> :

Anonymity -

Part of the obvious attraction of the PMCP is the opportunity to move some capital off-shore. What investors may also be pleasantly surprised to learn is that the Mint does not report to any U.S. Government agency; additionally, it is our opinion that the purchase of gold, silver or platinum through the Mint does not constitute a foreign account that must be reported under current disclosure rules (please check this with your tax consultant).

Recommendation: Promoters are getting more sophisticated regarding reporting and timing issues, and the IRS will not be able to identify such schemes through traditional matching programs. Instead, to supplement current inward looking analysis, the Service should set up teams who monitor the marketing promises made by promoters.

Other External Information That Should be Monitored

There is a wealth of information about the tax denier movement to be found in Tax Court cases, District Court cases, criminal cases, tax return attachments, and filings. These should be monitored for trends and easy fixes to some of the more common problems.

An Example

One common tax scheme involves Section 861 of the Tax Code. The proponents claim that only foreign source income is taxable to people living in the US. In literally dozens of tax court and criminal cases, the tax denier has pointed to the instructions for the Form 1040 which read as follows:

Income

Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

Many tax deniers point to this paragraph as proof that the 861 argument is valid, since no similar language appears in the instructions regarding domestic income.

To avoid this confusion, the IRS could simply add five words to the paragraph, "In addition to domestic income, you must report..."

Recommendation: This is just one example of literally hundreds of issues that have been raised in the various court cases. Like many similar problems, it is simple to fix once it is identified.

Violence in the Tax Denial Industry

Many of us who have been paying attention to the tax denier movement over the years are concerned. As leaders are shut down and incarcerated, the followers and remaining promoters are expressing increasingly strong threats of physical violence, especially towards judges. While domestic terrorism is not new to the anti-tax community, the anger and blind hatred towards the courts and federal employees is escalating.

An Example

There were at least a dozen threats of violence surrounding the Irwin Schiff criminal trial in Las Vegas last fall. Throughout the trial, Schiff would post audio messages and multi-page diatribes on the various websites and blogs, goading his followers to do something about the "criminal character" of the judge and prosecutors.

During the trial, his followers 1) shot out the windows in two cars - one belonging to a juror, another to a court employee, 2) poured acid on three federal employees' cars, 3) took shots at both the courthouse and the IRS building, 4) followed the

judge into the hallways of his church, 5) posted detailed maps and instructions to the judge's home, 5) posted the home addresses and phone numbers of all the jurors in the case.

Recommendation: There needs to be an increased priority in tracking and preventing potential violence.

Summary

In conclusion, a tremendous amount of improvement has been made since 2001 in addressing the problems of the online tax denier industry. The civil injunctions have been remarkably effective, the IRS has done a very good job of publishing consumer education and detailed revenue rulings debunking the most popular schemes, and while the criminal cases could be better publicized, several of the top promoters have been brought to trial and convicted.

I recommend, however, that the IRS and DOJ put together a comprehensive national plan to better target key participants in the movement and to reduce the amount of time it takes to bring these promoters and cheats to trial.

In 2001, as an exercise to show how prevalent the tax scam industry was on the Web, I spent two hours browsing the various anti-tax websites and made a list of 24 fairly random tax denier promoters. I have reproduced that list in the Appendix of this letter, and have noted what has happened to each promoter in the last five years.

To summarize briefly, four of the 24 promoters have been criminally prosecuted, seven have been civilly enjoined and shut down, nine have shut down their websites voluntarily, and only four are still peddling scams. While this was a random group of promoters, and is certainly not a large enough pool to be considered an accurate analysis of what has happened in the last five years, it certainly shows a hint at the progress that has been made.

I would happy to answer any additional questions you may have.

Sincerely,

JJ MacNab
Bethesda, MD

APPENDIX A
Two Hour Research Project (Updated)

Website	Comments	Where are they now?
www.yourtaxfreedom.com www.incometaxfreedom.com The 4 Your Success Group (Minnesota)	<p>“Many Americans have a very definite idea about how the Internal Revenue Service behaves. And in many respects, they are correct. Testimony before the Senate Committee in October of 1997 revealed, for the first time for many Americans, just how the IRS tries to intimidate and bully you.”</p>	<p>YourTaxFreedom.com was taken down. IncomeTaxFreedom.com is still run by Jim Paulson of Minnesota, but has recently been stripped of all product information. The promoter currently has an outstanding federal tax lien exceeding \$443,000.</p>
landbusiness.safeshopper.com Land Business Systems (Pennsylvania)	<p>Also sells mineral supplements on eBay.com, battery recovery systems, “Liberty Pure Trusts,” and “Constitutional Products.”</p>	<p>Website was taken down.</p>
www.taxgate.com RBH and Associates (New Jersey)	<p>“US Income Tax Law:” Very large Pure Trust and tax avoidance portal. Has more than 1,325 pages of data and articles. Not selling products, but charge \$165 for membership / consultation. Website states that it has 345,000 hits per month.</p>	<p>Rick Haraka (aka Rick Bryan) was permanently enjoined from selling tax scams in 2003. The promoter currently has an outstanding federal tax lien exceeding \$472,000.</p>
www.buildfreedom.com/economic/eco_6.html Terra Libra Ventures (Arizona)	<p>“Freedom” Portal. Offers books for sale, as well as free information such as “How to Stop Employers From Withholding Income Taxes.”</p>	<p>Website is still active.</p>
www.heritage-institute.com Heritage Institute for Estate Planning (California)	<p>Offers Contractual Pure Trusts and Living Trusts. Explains that Pure Trusts are “safe” from Medicaid look-back rules. Displays the Better Business Bureau Reliability Seal.</p>	<p>They work with the “Heritage Institute for the Sovereign State Creation.” Claims to be located in 47 states with 700 representatives. Only vague references to pure or complex trusts remain on the website.</p>
www.solgroup.com www.puretrust.com www.no1040s.com !SOLUTIONS! Group (Ohio)	<p>Offers the Liberty Pure Trust. Also sells web-hosting and offshore investments. Counter shows almost 39,000 “hits.”</p>	<p>Dana C. Ewell was permanently enjoined from selling tax scams in 2005. All three websites were taken down. The promoter currently has outstanding federal tax liens exceeding \$524,000.</p>
www.cktrust.com Without Prejudice (Tennessee)	<p>Run by a “barrister at law” named Austin Gary Cooper. Offers the “Clark Kent Trust,” (a Pure Trust) for \$578 and an expatriation / repatriation kit for \$388.</p>	<p>Austin Gary Cooper and Martha Cooper were permanently enjoined from selling tax scams in 2003. The website is gone.</p>

www.yelmtel.com/~trusts Family of Eagles Ltd. / American Beauty Rose (Washington)	Pure Trusts sold by private appointment only.	Raymond Leo Bell was permanently enjoined from selling tax scams in 2005. The website is gone.
www.webtrust.com Localink Information Services (California)	Sells Living Trusts and Irrevocable Pure Business Trusts. Offers sample documents for \$9.95.	Website is still active.
www.iossbs.org Int'l Organization of Self Sufficient Benefit Societies (Nevada)	A "fraternal society". Also sells water purifiers, waste systems, pyramid greenhouses, offshore credit and ATM cards, offshore bank accounts and trusts.	Website was taken down.
www.i-f-c.com Innovative Financial Consultants (Arizona)	Also offers Pure Trust Organizations, offshore banking, foreign bank formation, and Limited Liability Companies. Counter indicates almost 67,000 "hits."	In 2004 and 2005, eight promoters either pleaded guilty to or were convicted of conspiracy to defraud the US government and/or willful failure to file tax returns.
www.f-f-a.com Financial Fortress Associates (El Cajon, CA)	Sells Pure Trust Organizations, Limited Liability Companies, conducts regular sales seminars, and claims 7,000 clients.	Website is still active.
www.puretrusts.com www.givemeliberty.net R&H Publishers (Oklahoma)	Offers books, packages, and "do-it-yourself" manuals to set up Pure Trusts.	Both websites have been taken down.
webf0126.ntx.net BizNet Equity Management Trust (Florida)	Sells Pure Common Law Trusts through a "Do-It-Yourself Trust System." "Authorized dealer of EHMT". Currently hiring new dealers.	Website was taken down.
www.ehmt.com Entrepreneur Holdings Management Trust (Florida)	No information. Just a one page site that says "International Strategies" with a phone number. Copyright information shows 1994-2001.	Website was taken down.
www.webyellowpages.com/pill www.pill.net Prosper International League Ltd. (Florida)	Claim 20,000 customers and seven years' experience setting up Pure Trusts. Multi-level marketing program. Also offers offshore credit cards, offshore banking, and Belize Trusts. "Start an account for only \$200."	The company is still active, and was used extensively by Irwin Schiff and his clients. Schiff was recently convicted on multiple tax charges. PIL client and Global Prosperity affiliate Dwayne Robare pleaded guilty to tax evasion in 2005 and is awaiting sentencing.

www.joyfoundation.com The Joy Foundation (Florida)	The Joy Foundation. Earn an Associates Degree in avoiding income taxes. Multi level marketing program. Join for \$1,680. Also sells books through Amazon.com.	Promoter Joseph Sweet was permanently enjoined in 2002.
www.wealth4freedom.com Capital Strategies (Florida)	Same website as The Joy Foundation. Presumably a dealer/associate.	No longer shows Joy Foundation info, but still publishes tax protest advice. The promoter, Janis E. Greehey was permanently enjoined in 2005 for marketing a different tax scam, the corporation sole.
www.pure-trust.com Lamb & Associates (California)	Recently merged with pre-paid legal services website.	Website was taken down.
home.swbell.net/ministry/ International Fellowship of Churches and Ministers (Texas)	“Education - Ordination - Church Charters - Irrevocable Pure Trusts and Snore-ends”. Purchase a church charter for \$300 and “Free your church, yourself, your business from undue tax burden.”	Website was taken down.
www.freedomtrustgroup.com www.theawaregroup.com Freedom Trust Group (South Carolina)	Sells software so that buyer can produce an “unlimited number of all five different types of common-law irrevocable contracts of Pure Trusts.” Also sells International Business Corporations.	The website is still selling pure trusts, was recently updated (2005), and no action appears to have been taken against the promoter, John Howard Alexander, who also heads The Aware Group.
www.trustenterprises.com Trust Enterprises (California)	The CPA who started the current movement by obtaining a letter from the IRS saying that a “Pure Trust Organization has no tax requirements.”	Website was taken down. The promoter, Greg P Karl was convicted of conspiracy and four counts of mail fraud and was sentenced to 20 months in prison.
www.mysticbird.com The Phoenix Group (Oregon)	Sells “Contractual Business Entities.” “The IRS is very aware of what a "pure common law trust" (CBE) is, and understands that they are exempt from statute.”	Website was taken down.
www.successlinks.com Institute of Global Prosperity (Florida)	Audio tape and seminar package to set up offshore accounts, trusts, Internal Business Corporations, and Limited Liability Companies.	At least 21 individuals have either pleaded guilty or been convicted of tax crimes related to Global Prosperity and Andersen Ark. Additional criminal trials are pending.