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April 27, 1999

**Beverly J. Jones
Manager-Retirement
Records and Counseling
The Boeing Company
PO Box 3707
Seattle, WA 98124-2207**

RE: Mrs. Lydia Lopez-Alvarez: House of Shaver. A corporation sole
Near: Thirteen-Twelve Pingston Creek Road
Kettle Falls. Washington, USA
99141

Dear Ms. Jones:

I have been retained by Mrs. Lydia Lopez-Alvarez to represent her in the matter of a Notice of Levy, which I understand, you believe requires you to pay to the IRS funds belonging to my client. Your belief is mistaken. A Notice of Levy is merely that, a Notice. That document is neither an authorization for you to act on behalf of the IRS or an order to act on its behalf. If you act on a mistaken belief that Mrs. Lydia Lopez-Alvarez's money should be paid to the IRS, you will not, thereby, discharge your obligation to her.

In all the states of the Union, the levy is the judicial procedure whereby a judicial officer a marshal or sheriff actually seizes property belonging to a person who owes a sum of money or even property itself. The person whose money or property is being seized has had an opportunity to present a defense in court and has lost. The marshal or sheriff is acting on the authority of a writ or instruction by a court to satisfy the judgment of that court. Writs are always signed and sealed to show their authenticity to persons like you who are holding the property. The writ establishes the authority of the person who is to seize the property. The property to be seized may be described in the writ or a separate document. It is the entire process of the seizure of the property that is the levy. There can be no lawful seizure without a lawful order. If you deliver the property of another to the IRS without a lawful order you could be made to make up the loss yourself.

It is our position that the IRS has no claim whatsoever on the funds you hold. Please examine the Notice of Levy for any language that evidences any command or order to you as the agent of the employer. You will find no such language. Secondly, look for language that indicates you should act by any date certain. You will not find a deadline. The Notice of Levy is truly a Notice. It is a Notice to a government employee that the Secretary of the Treasury will levy (seize) money from the government paymaster, if the government employee doesn't pay what is owed.

Last, Mrs. Lydia Lopez-Alvarez is not a government employee and she is not subject to a levy on the money that you owe to her. These facts can be established along with others from the agent whose name appears on the Notice. It will take some time to verify these facts but my client is willing to allow you to hold her funds until these facts are verified. You may, if you wish, notify the IRS that you will hold the funds until the purported IRS claim is proved. We invite you to take this letter to your legal representative for his/her counsel.

My representation is limited to the federal issues involved. I understand, however, that my client will pursue any local claims she may have against the entity or entities that fail to exercise reasonable care in protecting her property interests.

Holding my client's funds until you are reasonably certain that the IRS has no lawful claim on them will protect the interests of everyone involved. What follows is a summary of some of the basic law involved in the operation of the IRS Notice of Levy. The background law of the levy is not complex but the Congress has constructed a code that snares employers, bankers and other stakeholders. It is my hope that these few paragraphs will help in deciphering the Notice of Levy.

It is generally conceded that Congress has the power to levy and collect taxes on the incomes of its officers, employees, or elected officials and it can delegate the administration of that tax to the Secretary of the Treasury of the United States. These persons will be called individuals but they will all be generally treated as and called employees throughout the Internal Revenue Code (IRC). The Employer will be the United States, the District of Columbia or any agency or instrumentality of the United States or the District of Columbia. To understand the operation of the IRC one must only realize that the idea of self assessment began with the federal government's own employees. The secret to understanding the IRC is that the employer in the code is the federal government.

The power to levy given to the Secretary is merely the same power any employer would have to retain money due back to the employer for whatever legitimate reason the employer might have. Of course, the federal government can call this power the power to tax. It is a return of its own income. The Congress has given the Secretary of the Treasury the power to oversee a partial return of its income.

Does the United States Congress have the judicial power over any other employer anywhere in the world? The answer is no. Article I, Section 8, Clause 18, gives the Congress all legislative power in the seat of government. Article IV, Section 3, Clause 2, gives it similar power over the territories and other United States properties. Article III, Section 1, of the Constitution grants Congress the power to create courts

inferior to the Supreme Court but the Congress sits as a court only during impeachments.

To levy is to seize, distraint or attach property by judicial order. Terms tend to be defined in the IRC in a way that implies an expansion way beyond their real meaning. Levy is not something separate from the power of distraint and seizure it is those things. To levy is to seize. In every place, outside the seat of the national government and the other places where Congress is the sovereign, levies are judicial in nature. In Washington, D.C. Congress truly rules like a king. In the District of Columbia, the Secretary of the Treasury can exercise the judicial power to seize property because the sovereign governmental power there. Congress conferred such power on him. His power is limited to those who are subject to federal excises, imposts and duties.

However, outside those specific areas where Congress may confer power on the Secretary of the Treasury, the Secretary is just like any other man without judicial powers. He is a member of the executive branch that has been empowered by Congress to carry out administrative functions concerning its taxing authority.

Whatever authority the Secretary has, it is certain that none of that authority has been granted to you. Any attempt to authorize you to act on behalf of the government would be improper and illegal. Such a delegation of authority to a person not sworn to uphold and defend the Constitution would possibly subvert my client's personal civil and property rights.

A proper judicial levy empowers a state officer to act on behalf of a court in carrying out a prior court order. The seal of the court and the language in the levy imbue the state levying officer with the authority that he needs to seize the property belonging to the person against whom the levy is to be executed. The Notice of Levy Form 668-W (c)(DO) is not an authenticated document. If you will closely examine this form you will find no oath or certification by any government officer or official. Without such an oath, affirmation or certification the form remains exactly what it is a pre-printed form without any validity outside the federal government.

These quasi-judicial summary collections of federal taxes do not violate the United States Constitution because Congress has the power to exercise exclusive legislation over the federal government, the District of Columbia and all other possessions of the United States, pursuant to Article I, Section 8, Clause 17. This exclusive power to legislate over the seat of government, Washington DC includes the power to bestow judicial power on the Secretary. This power is only effective in the District and other federal possessions. The Secretary may easily levy the salary and wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by simply serving a notice of levy on the government agency or instrumentality.

The power accorded the United States Congress to legislate exclusively over the seat of government also permits it to establish internal revenue districts throughout the several states so that it can effectively collect taxes from alien permanent residents under the exclusive jurisdiction of Congress, persons and entities subject to the various excise taxes, citizens of the United States who own and operate trades or businesses in

federal areas and employees of the United States. Such districts were first instituted during the Civil War.

The Form 668-W (c)(DO) is the federal government's internal document used to provide the 10 days notice required by the IRC to the government's officer, employee, or elected official who owes a federal tax. The IRS has been using this 10 Day Notice Form for many years to confuse non-federal employers. That practice will soon be coming to an end. The IRS Restructuring and Reform Act of 1998, authorizes remedies against agents who falsify or destroy documents or provide false statements under oath with respect to a material matter. Please do not remit my client's money to the IRS until the IRS officer who signed the Notice of Levy can be questioned about the document's validity and your obligations with respect to my client's funds which you hold.

Do not concern yourself with any time restraints. You will find no language in the Form 668-W (c)(DO) that commands or orders anything to be done by any date certain. For years the IRS has provided selected excerpts from the Internal Revenue Code, knowing that those sections would be misinterpreted against the employee, insured or depositor.

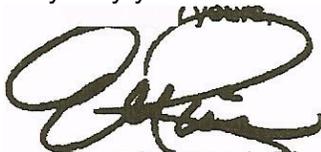
The title: Notice of Levy on Wages, Salary, and Other Income, on the face of this form simply informs the government officer, employee, or elected official that the Secretary of the Treasury will be seizing money from wages, salary or other income. If the form was demanding information from an employer the requesting agency would have to display an OMB (Office of Management and Budget) number. No such OMB number appears and no notice of authority to procure information appears, as well. The language used on the form is in the nature of a polite request: "Employer or Other Addressee: Please complete the back of this page."

The back of the page is captioned: "PLEASE REMOVE THIS PAGE BEFORE COMPLETING IT." By the magic of merely turning the page, the Form is now a levy. SECTION 1. is called LEVY ACKNOWLEDGEMENT. By signing this section the respondent will indicate that any payment of money or property is the voluntary act of the signatory. SECTION 2. LEVY RESULTS-Check all applicable boxes. Completion of this section is an admission if money is sent. SECTION 3. ADDITIONAL INFORMATION -Please complete this section if this levy does not attach any funds. Completion of this section not only violates the privacy of the person whose information has been supplied the respondent is about to voluntarily send that person's money to an entity without a valid claim. To do all that the respondent must be thoroughly convinced that this form carries some power or authority.

Forms, those preprinted documents that are prepared to save time in supplying information where it is needed, can have a dark side too. They are so often used that we can forget that in order for them to be more than mere pieces of paper covered with words, they must be given life by the conscious act of a human being. Just how much life they are given depends on the words used and the authority of the person or persons who are to stand behind the document. The Notice we have examined turns out to be nothing more than a silent piece of deception with less vigor than yesterday's newspaper.

The intent of this summary is to provide the information you need to immediately release my client's funds, if you are still unsure about releasing those funds **please** reread this letter, the Notice of Levy and consult with your legal representative. If, after that review you and your legal representative can't decide to release my client's funds, ask your legal representative the questions I have prepared to resolve the issue of the validity of the Notice of Levy. If all this fails to convince you that the IRS has no valid claim on my client's funds ask the IRS agent whose name appears on the Notice of Levy the questions I have prepared. You may, of course, ask whatever questions you like but I think these will get to the truth of the IRS claims.

Very truly yours



Dr. Eduardo M. R.

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