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Domestic Terrorism Operations Unit II
November 2010

Sovereign Citizens: An Introduction for Law Enforcement

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SOVEREIGN CITIZEN[1] IDEOLOGY

Sovereign citizens are:

- A network of loosely affiliated individuals
- Living within the United States
- Who believe federal, state, and local governments are operating illegitimately

Sovereign citizens believe the government is operating outside of its jurisdiction and generally do not recognize federal, state, or local laws, policies, or governmental regulations. They subscribe to a number of conspiracy theories, including a prevalent theory which states the United States Government (USG) became bankrupt and began using citizens as collateral in trade agreements with foreign governments. They believe secret bank accounts exist at the United States (US) Department of the Treasury. These accounts can be accessed using Internal Revenue Service (IRS), Universal Commercial Code (UCC), and fraudulent financial documents.

Sovereign citizens are known to travel the country conducting training seminars on debt elimination schemes. The seminars focus on obtaining funds from a secret "Strawman" account using legitimate IRS forms, UCC forms, and fraudulent financial documents. Sovereign citizens believe once the documentation is filed, they gain access to their "Strawman" account with the Treasury Department[2].

The purpose of this primer is to assist law enforcement in the identification of sovereign citizen extremist activity to prevent, detect, and/or deter acts associated with sovereign citizen criminal activity.

Sample Fraudulent Law Enforcement Badge
(Source: policemag.com)

[1] In this report, "sovereign citizen" is used to reference individuals who declare their sovereignty from the United States by overtly filing fraudulent documents or committing other criminal activity.
[2] In this report "Treasury Department" is used to reference the United States Department of the Treasury.

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POSSIBLE INDICATORS OF SOVEREIGN CITIZEN ACTIVITY

Some or all of the following may provide an indication of sovereign activity. However it is important to note these activities may also be indicative of lawful, innocent conduct and in some instances may constitute the exercise of rights guaranteed by the United States Constitution. For these reasons, these indicators should be considered in the context of other suspicious behavior and the totality of the circumstances in which they are observed or reported.

- Documentation may be mailed and addressed to the Secretary of the Treasury Department or the Depository Trust Company
- Documentation includes an "Apostille Number"
- Documents contain the phrase "Accepted for Value"
- Documents are notarized, even if not required
- International postage rates is applied even for domestic mailings
    - All paperwork will be mailed using registered mail
    - Stamps will be affixed near the signature line or at the bottom corner of the page
- Name written in all capital letters
    - Example: JOHN SMITH
- Name will be written last name : first name
    - Example: Smith: John or Smith: Family of John
- Zip codes enclosed in brackets
    - Example: [11233]
- Presence of thumbprints on documents,
    - Typically in red or blue ink
    - Typically on or near a signature or seal
- "SLS" may follow signature
    - "SLS" stands for "Sovereign Living Soul"

Indicators of Sovereign Activity Observed by Local Law Enforcement

Sovereign citizens often carry fraudulent identification documents. During a traffic stop or arrest, they may produce documents indicating law enforcement does not have the authority to stop their vehicle. Sovereign citizens may also write the term "No Liability Accepted" above their signature on a driver's license to indicate they do not accept it as a legitimate identification document. sovereign citizens may also create and display fraudulent license plates.

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FURTHERANCE OF SOVEREIGN CITIZEN POLITICAL OR SOCIAL AGENDAS THROUGH CRIMINAL ACTIVITY

Generally, sovereign citizens do not operate as a group or have an established leadership hierarchy. Rather, they act independently or in loosely affiliated groups which come together for training, to assist with paperwork, and to socialize based on sovereign ideology. Sovereign citizens often refer to themselves as "Freemen." [*Note:* The use of the word "Freemen" does not inherently indicate a connection to any specific group, however, some use the term "Freemen" in their group name. Others may indicate they are a "free man," meaning free from government control.]

Sovereign citizens believe the USG is illegitimate and has drifted away from the true intent of the Constitution. As a result, the USG is not perceived to be acting in the interest of the American people. These groups generally do not adhere to federal, state, or local laws. Some sovereign citizens believe federal and state officials have no real authority and will only recognize the local sheriff's department as the only legitimate government official. Other law enforcement officials are viewed as being oppressive and illegitimate.

Individuals who adhere to this ideology believe their status as a sovereign citizen exempts them from US laws and the US tax system. They believe the US Federal Reverse System, the Treasury Department, and banking systems are illegitimate. Therefore, one of the perceived "benefits" of being a sovereign citizen is not paying federal or state taxes.

Sovereign citizens view the USG as bankrupt and without tangible assets; therefore, the USG is believed to use citizens to back US currency. Sovereign citizens believe the USG operates solely on a credit system using American citizens as collateral. Sovereign citizens exploit this belief by filing fraudulent financial documents charging their debt to the Treasury Department. In addition, they routinely engage in mortgage, credit card, tax, and loan fraud.

Gadsden Flag
(Source: gadsden.info)

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STEPS INDIVIDUALS MAY TAKE TO DECLARE THEIR SOVEREIGNTY

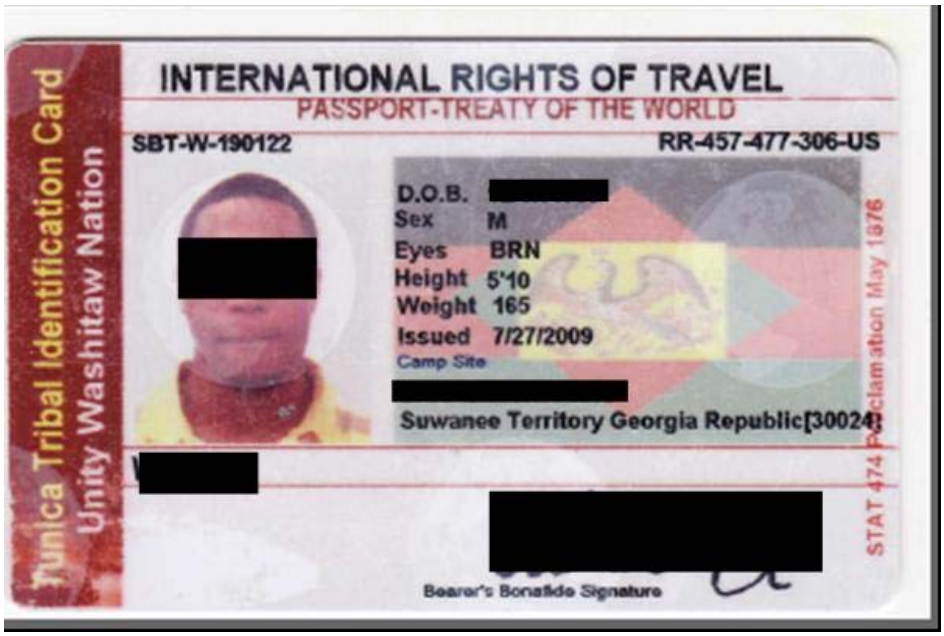
To declare one's status as a sovereign citizen, an individual usually takes specific steps to renounce his/her US citizenship. Once these steps have been completed, sovereign citizens believe they will be exempt from USG laws and taxes.

- An individual must first file documents with the SOS office declaring his/her sovereignty.

- Documents which are filed to denounce US citizenship include an Act of State, UCC-1, copy of Birth Certificate, and a Social Security Card. Once the receiving office files the documents, an Apostille is generated acknowledging the documents have been correctly filed. Once the sovereign citizen receives the Apostille, they view this as the USG acknowledging their newly acquired sovereign status.

Documents Filed to Declare Sovereignty:

- Act of Reaffirmation of Character and Renunciation of Attempted Expatriation
- Termination, Separation, and Divorcement Affidavit
- Notice of Sovereign Status by Common Law Affidavit
- Declaration and Notice of Expatriation
- Birth Certificate
- Social Security card
- UCC-1



Sample Fraudulent Driver's License
(Source: FBI Case Information)

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FRAUDULENT USES OF APOSTILLES BY SOVEREIGN CITIZENS

An Apostille is issued by a Secretary of State (SOS) and intended to certify the authenticity of three parts of an official document: the signature, the capacity in which the signatory acted, and the identity of any stamp or seal affixed. The one page document is embossed with the Great Seal of the state and includes a facsimile signature of the individual issuing the Apostille (see picture to right). Each Apostille is individually numbered and this number will be used by sovereign citizens on future fraudulent documents.

SECRETARY OF STATE

APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Country: United States of America
This public document
2. has been signed by
3. acting in the capacity of Deputy Registrar-Recorder/County Clerk, County of Los Angeles, State of California
4. bears the seal/stamp of the County of Los Angeles, State of California

CERTIFIED

5. At Los Angeles, California
6. the 18th day of December 2007
7. by Deputy Secretary of State, State of California
8. No.
9. Seal/Stamp:
10. Signature

Secretary of State

Sample Apostille from the State of California (Source: Department of Treasury)

An Apostille certifies the document is a true copy and was successfully filed with the state. It certifies the authenticity of the signature of the Notary Public and the Notary Seal. An Apostille does NOT certify the validity or veracity of the contents of the original document, does NOT certify the legitimacy of the original document, and does NOT certify the legal status of the document.

An Apostille is used to indicate the government has recognized the filed document as a true copy. In normal business, this document is intended for international use under the terms of the Hague Convention. Documents which have been notarized by a Notary Public and are certified with an Apostille are accepted for legal use in nations who are signatories of the Hague Convention.

Once a sovereign citizen obtains an Apostille number from the state, these numbers are used by sovereign citizens on documents including: fraudulent diplomatic identification, passports, driver's licenses, vehicle license plates, and law enforcement documents as a way of indicating they no longer maintain citizenship with the USG.

Sovereign citizens believe an Apostille is only issued when the federal, state, or local government acknowledges a document is legitimate. Therefore, they believe it can be used as admissible evidence in court proceedings.

Sovereign citizens file numerous documents with SOS offices. The types of documents filed with the SOS include documents declaring their sovereign status and fraudulent financial documents, UCC documents (see UCC section), and IRS documents. All SOS offices are required by law to file any document they receive which is in the correct format and has the appropriate monetary fee.

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FRAUDULENT FINANCIAL SCHEMES USED BY SOVEREIGN CITIZENS

Sovereign citizens are known to utilize a number of fraudulent schemes to defraud banks, credit institutions, and the USG. The most prevalent is referred to as the Redemption Scheme. Sovereign citizens commonly engage in this type of fraudulent activity after a declaration of sovereignty from the USG.

The Redemption Scheme is based off the belief the USG went bankrupt in 1933 subsequent to the passage of House Joint Resolution 192 effectively removing the USG off of the gold standard. Sovereign citizens believe the US declared bankruptcy when the USG was removed from the gold standard. As a result, US currency (referred to as "Federal Reserve Notes") is perceived as valueless credit notes. The monetary system is now believed to be based on exchanging one credit document for another. Sovereign citizens believe this makes US currency essentially worthless.

"Federal Reserve Note"

Sovereign citizens believe a "Federal Reserve Note" (US Currency) is a credit slip indicating the USG will provide something of value at a future date. Using this assumption, sovereign citizens file fraudulent financial documents to exchange credit for credit. As an example, rather than paying for a car with US Currency, the sovereign citizen will produce fraudulent financial documents (such as Promissory Note, Sight Draft, or Offset Bonds), which are offers to provide something of "actual" value at a future date.

Absent the gold standard, the USG needed "securities" to participate in global trade. Sovereign citizens believe the USG issued social security numbers and birth certificates as a means to register US citizens for use as collateral to be used in trade agreements with other countries. Under this system, the US Treasury Department creates an account for each citizen containing their monetary net worth. These accounts are commonly referred to as a "US Treasury Direct Account." The accounts are believed to contain tangible assets in amounts ranging from $630,000 to $300,000,000. Sovereign citizens refer to this as a "dollar value" or "credit."

Sovereign citizens believe their "US Treasury Direct Accounts" are in the name of a third party created using their name. These third parties are referred to as "Stramineous Homo" (more commonly known as a "Strawman"), "corporate person," or "government entity." Sovereign citizens use the phrase "freeing money from the Strawman" to refer to extorting money from the US Treasury Department.

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STEPS TO FREE MONEY FROM THE STRAWMAN

Sovereign citizens use the following steps to obtain money from their "US Treasury Direct Account" (also known as their "Strawman") to fraudulently eliminate debt. To complete the process, a sovereign citizen typically files the following forms:

1. A UCC-1 with the Treasury Department[3] locking their "US Treasury Direct Account."
   - Notifies the Treasury Department the individual intends to use their "Treasury Direct" account.

2. An "Acceptance for Value with Non Negotiable Charge Back."*
   - Requests the release of funds (credit) from the "US Treasury Direct Account." This is not a legitimate document, therefore the Treasury Department does not typically respond.

3. An "Acceptance of the Charge Back."*
   a. Informs the Treasury Department others have failed to respond to the sovereign citizen's request, and a lack of response is assumed to indicate the "US Treasury Direct Account" is available for access by the sovereign citizen.

Uniform Commercial Code (UCC)*

The Uniform Commercial Code (UCC) was first published in 1952 as part of an effort to help standardize commercial transactions throughout the US. sovereign citizens commonly use three legitimate UCC forms as part of fraudulent filings:

1. UCC-1
   (used to secure a loan under the UCC)
2. UCC-3
   (for changes or terminations of a UCC-1)
3. UCC-AD
   (to amend a UCC-3)

*see Appendix B for more information.

UCC-1 Form (Source: Treasury Department)

UCC-3 Form (Source: Treasury Department)

(*Examples of forms filed. Exact title of document may vary by region, group, or instructor)

[3] For the purpose of this document, fraudulent documents are assumed to be filed with the Treasury Department. However, sovereign citizens may also file with the appropriate office of the state or local government.

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USING "STRAWMAN" FUNDS TO SATISFY DEBTS

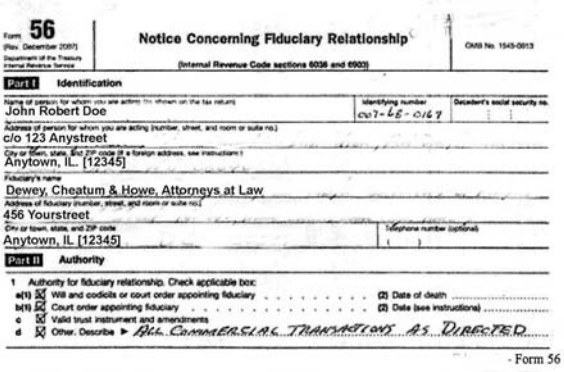
1. When the sovereign citizen receives a bill (credit card, tax, mortgage), a Charge Back Notice* is sent to both the creditor and the Treasury Department.
    a. This notifies the creditor of the "US Treasury Direct Account" and designates the Treasury Department as the responsible party for the debt.

2. The sovereign citizen acknowledges the amount owed to the creditor by sending the creditor an Acceptance for Value.* A Bill of Exchange,* Bond to Discharge Debt,* Affidavit of Payment of Tender,* and Bankers Acceptance Note* are then sent to the creditor. All are fictitious obligations issued to pay off the debt.
    a. An identified sovereign citizen will provide an identified creditor with Charge Back Instructions* which explains the process of submitting documents to the Treasury Department.

Acceptance (Accepted) for Value (A4V)*

An Acceptance (or Accepted) for Value form creates a binding contract with the receiving party. By filing an A4V, the sovereign citizen agrees to be bound by the terms of the accepted contract, acknowledges the contract limits their rights, and waives their rights to legal remedies.

3. If the creditor refuses to accept the documents payment demands will be made using a Notice of Notorial Protest,* Notice of Non Response,* and Administrative Record of Non Response* documents.
    a. These documents are commonly sent by a Notary or an individual claiming to be a legal representative. Documents will threaten legal action against the creditor.
    b. The sovereign citizen may also take the following actions:
        i. Submit a Notice of Arbitration* to inform the creditor they must agree to binding arbitration to resolve the dispute. The arbitrator is usually a sovereign citizen or supporter.
        ii. File an Affidavit of Fiduciary* naming the creditor's lawyer or law firm as the sovereign citizen's counsel. This creates a conflict of interest since the attorney is ethically prohibited from representing both parties.
        iii. File an IRS 8300 form to the creditor to fraudulently indicate the creditor has additional unreported income.


Form 56 (Rev. December 2007) Department of the Treasury Internal Revenue Service

Notice Concerning Fiduciary Relationship

(Internal Revenue Code sections 6036 and 6903)

OMB No. 1545-0013

Part I Identification

Name of person for whom you are acting (as shown on the tax return): John Robert Doe

Identifying number: 007-66-0169

Decedent's social security no.

Address of person for whom you are acting (number, street, and room or suite no.): c/o 123 Anystreet

City or town, state, and ZIP code (if a foreign address, see instructions): Anytown, IL. [12345]

Fiduciary's name: Dewey, Cheatum & Howe, Attorneys at Law

Address of fiduciary (number, street, and room or suite no.): 456 Yourstreet

City or town, state, and ZIP code: Anytown, IL [12345]

Telephone number (optional)

Part II Authority

1 Authority for fiduciary relationship. Check applicable box:

a(1) [X] Will and codicils or court order appointing fiduciary . . . . . (2) Date of death .....

b(1) [X] Court order appointing fiduciary . . . . . (2) Date (see instructions) .....

c [X] Valid trust instrument and amendments

d [X] Other. Describe ▶ ALL COMMERCIAL TRANSACTIONS AS DIRECTED

- Form 56

Example: Affidavit of Fiduciary (Source: IRS)

(*Examples of forms filed. Exact title of document may vary by region, group, or the title of the document may be influenced by individuals providing instruction in the filing of these types of fraudulent documents)

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CRIMINAL SOURCES OF INCOME FOR SOVEREIGN CITIZENS

1. TEACHING SOVEREIGN TACTICS

A number of individuals are known to travel throughout the US teaching fraudulent techniques to discharge debt to interested parties. A fee is charged to attend seminars which provide information regarding Redemption Schemes and other methods to avoid paying taxes. In addition to conducting seminars, several trainers are known to sell CDs and DVDs containing materials from the seminars.

Sovereign citizens may sell fraudulent documents to other like-minded individuals and illegal immigrants. These documents include: drivers licenses, passports, diplomat identification, vehicle registrations, concealed carry permits, law enforcement credentials, and insurance forms. Some may also generate income by providing consultant services to those who need assistance in preparing sovereign citizen paperwork.

2. WHITE COLLAR CRIME

Sovereign citizens may generate income through the use of mortgage fraud. There are many ways these individuals propagate this crime. One example is the sovereign citizen first establishes contacts within real estate companies, who identify sellers listed with the company who may be vulnerable targets for fraud. The sovereign citizen purchases the property using fraudulent financial documents and then has the property appraised at higher than market value. A mortgage or line of credit is obtained utilizing the inflated property value. The sovereign citizen then either absconds with the funds or uses the line of credit to fund further fraudulent activities.

In addition to mortgage fraud, sovereign citizens are known to engage in other forms of white collar crime, including money laundering.

Sample sovereign Liberty Dollars
(Source: city-data.com)

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SOVEREIGN CITIZEN TACTICS USED TO TARGET GOVERNMENT AND FINANCIAL INSTITUTION OFFICIALS

Sovereign citizens utilize a number of tactics to harass, intimidate, and psychologically threaten agencies and individuals who interfere with their fraudulent practices. This often includes federal, state, and local government officials and employees of financial institutions. If law enforcement or government officials attempt to take legal action (either criminal or civil) against sovereign citizens, the official may be perceived by the sovereign citizen to be acting without legal authority. When this happens, one or more of the following steps may be taken against the officials by the sovereign citizens:

1. LIENS

   Sovereign citizens believe their name is their personal property and cannot be used by others without prior approval. They believe their names are copyrighted or trademarked and that the unauthorized use of a sovereign citizen's name entitles them to financial remedy from the offender. This in their view allows them to file a lien against the offender to collect that debt.

   a) The first step in the lien process typically involves the sovereign citizen assessing the perceived damage by the offending party. A document known as the First Notice and Demand for Settlement* is then sent to the offending party via certified mail claiming monetary damages. A time period for response by the offending party is specified.

   b) Once the designated response period has expired, a Second Notice and Demand for Settlement* with a specified response period is sent via certified mail.

   c) When the second response period expires, a Notice of Dishonor* or Notice of Default* is sent via certified mail. Ten days are typically allowed to pay the monetary damages.

   d) The offending party rarely responds to the demands due to the obviously fraudulent nature of these claims. Therefore, sovereign citizens use certified mail receipts and copies of notices to place liens against a target's property, and assets. Courts typically do not refuse to place the lien if all filing fees have been paid and all paperwork has been completed in full since it is not immediately clear the lien is fraudulent.

(*Examples of forms filed. Exact title of document may vary by region, group, or the title of the document may be influenced by individuals providing instruction in the filing of these types of fraudulent documents)

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2. TRUE BILLS AND BOUNTIES

Many sovereign citizens believe government officials must sign an "Oath of Office" upon assuming their position and this "Oath of Office" defines the official's legal authority while serving in that position. They also believe officials must post a "bond" (a declaration of their authority to conduct activity on behalf of the government).

A Common Law Grand Jury (CLGJ), or Common Law Court (CLC), consists of sovereign citizens who convene and issue True Bills* and pass judgment against offending parties. True Bills contain a list of criminal acts committed by the offending parties and may lead to the placement of Common Law liens against a targeted person. CLGJs are composed of self-appointed sovereign citizens who endow themselves with perceived legal authority which is unrecognized in any legitimate court.

Issued Bounties

- Writ of Habeas Corpus as Subjiciendum*
  - Demands the official appear before the CLGJ
- Writ of Capias as Satisfaciendum*
  - Demands the sheriff (or a designated sovereign citizen acting on behalf of the CLGJ) ensure the official appear before the CLGJ to hear judgment
- Writ of Capias as Respoindeunium*
  - Demands the sheriff (or a designated sovereign citizen acting on behalf of the CLGJ) take the official into custody pending an appearance before the CLGJ

Members of Common Law Grand Juries (CLGJs) will sometimes issue "bounties" against individuals they believe have violated their self-defined Common Law. They believe these groups can place "bounties" on either the government official or the official's "bond" if they are found in contempt of CLGJ. The bounty may specify that the official present himself/herself at a particular location for judgment or specify the official's "bond" be seized. Sovereign citizens believe seizing the official's "bond" prevents him/her from conducting any activity on behalf of the government.

3. ARREST WARRANTS

CLGJs may issue "arrest warrants" for individuals who are believed to have committed violations of Common Law. The CLGJ may present the "arrest warrants" to the local sheriff's office for official service.

(*Examples of forms filed. Exact title of document may vary by region, group, or the title of the document may be influenced by individuals providing instruction in the filing of these types of fraudulent documents)

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4. LAWSUITS

Sovereign citizens may file lawsuits against law enforcement or members of the court in their individual capacity seeking civil remedies for alleged violations of their constitutional rights.

5. IRS-8300

IRS-8300 forms may be utilized by sovereign citizens attempting to damage the credit or financial history of a specific individual.

The IRS-8300 form is used to report cash payments over $10,000.00 received in a trade or business transaction. This form is required when a business receives a payment in excess of $10,000.00 from a single buyer as a result of a single transaction or if two or more related transactions exceed $10,000.00. Fraudulent submission of the form by a sovereign citizen can result in an artificial increase in the taxable income of the target being reported to the IRS.

6. CURRENCY TRANSACTION REPORTS (CTR)

Currency Transaction Reports (CTR) are legitimately used by US financial institutions to report currency transactions in excess of $10,000.00 as part of an effort to combat money laundering. Sovereign citizens may improperly use FinCEN Form 104 to report a target is engaged in structuring to trigger an investigation.

7. SUSPICIOUS ACTIVITY REPORT (SAR)

Suspicious Activity Reports (SAR) are legitimately used by banks and other financial institutions to report known or suspected violations of law and banking regulations. Sovereign citizens may submit fraudulent SAR filings as part of their targeting schemes.

SAR and CTR paper reports may be downloaded by anyone from the FinCEN Web site. Paper copies may be mailed to the Internal Revenue Service (IRS) computing center where they are entered into the FinCEN database. There is very little oversight to determine the legitimacy of paper SARs or CTRs. Sovereign citizens may use SARs in an illegitimate manner to generate a criminal investigation of the target by the IRS or law enforcement.

(* Example of forms filed. Exact title of document may vary by region, group, or the title of the document may be influenced by individuals providing instruction in the filing of these types of fraudulent documents)

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PRISON TACTICS

While incarcerated, sovereign citizens may utilize the prison library to research federal and case law to determine new ways to create fraudulent financial documents and engage in criminal activity. Sovereign citizens may also train fellow inmates to conduct fraudulent schemes to defraud banks, credit institutions, and the USG. Sovereign citizen trainers in prison will also attempt to recruit new individuals to sovereign citizen ideology. These individuals also communicate with non-incarcerated individuals to learn new methods and to receive assistance in their schemes.

Sovereign citizens may create fraudulent businesses while incarcerated and complete fraudulent financial documents to obtain lines of credit from legitimate banks. Sovereign citizens may also use the identity of a fellow prisoner to obtain lines of credit without the target's knowledge.

(Source: freedominourtime.blogspot.com)

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SOVEREIGN CITIZEN VIOLATIONS

Historically, some sovereign citizens have committed the following violations*:

- Felonious police killings
- Liens and threats against federal officers
- Bank fraud
- Mail fraud
- Wire fraud
- Mortgage fraud
- Conspiracy
- Fictitious obligations
- Coinage similitude
- Passing/uttering coins of silver or gold
- Money laundering
- Tax violations
- Possession of firearms by prohibited person
- Illegal sale of firearm

*See Appendix A for specific statute codes

Sample sovereign citizen passport
(Source: countrystore.blogspot.com)

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APPENDIX A: STATUTES OF THE US FEDERAL CRIMINAL CODE

The following are a sample of common statutes of the US Federal Criminal Code used to prosecute sovereign citizen criminal activity:

18 U.S.C., Section 2 (Aiding and abetting)
18 U.S.C., Section 111 (Assaulting, resisting, or impeding certain officers or employees)
18 U.S.C., Section 115 (Threats against a federal official)
18 U.S.C., Section 371 (Conspiracy)
18 U.S.C., Section 372 (Conspiracy to impede or injure a federal officer)
18 U.S.C., Section 373 (Solicitation to commit a crime of violence)
18 U.S.C., Section 485 (Making/Forging/Counterfeiting coins or bars)
18 U.S.C., Section 486 (Uttering gold and silver coins)
18 U.S.C., Section 513 (Securities of the state and private entities)
18 U.S.C., Section 514 (Fictitious obligations)
18 U.S.C., Section 713 (Use of likeness of the great seal of the United States)
18 U.S.C., Section 876 (Mailing threatening communication with intent to extort)
18 U.S.C., Section 912 (Impersonation of an officer)
18 U.S.C., Section 915 (Impersonation of a diplomat)
18 U.S.C., Section 924 (Carrying a firearm in connection with a crime of violence)
18 U.S.C., Section 1017 (Government seal/instruments wrongfully used)
18 U.S.C., Section 1028 (Fraud and related activity related to identification documents)
18 U.S.C., Section 1114 (Murder of officers and employees of the United States)
18 U.S.C., Section 1117 (Conspiracy to commit murder)
18 U.S.C., Section 1341 (Mail fraud)
18 U.S.C., Section 1343 (Wire fraud)
18 U.S.C., Section 1344 (Bank fraud)
18 U.S.C., Section 1956 (Money laundering)
18 U.S.C., Section 1957 (Engaging in monetary transactions with criminally-derived property)
18 U.S.C., Section 2261 (Interstate stalking)
18 U.S.C., Section 2385 (Advocating the overthrow of the Government)
26 U.S.C., Section 5861 (National Firearms Act violations)
26 U.S.C., Section 7201 (Attempt to evade or defeat tax)
26 U.S.C., Section 7202 (Willful failure to collect or pay tax)
26 U.S.C., Section 7206 (Filing false returns)

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The Court Security Improvement Act of 2007 enacted the following two provisions in Title 18 of the United States Code

- 18 U.S.C., Section 119
  - (a) Whoever knowingly makes restricted personal information about a covered person, or a member of the immediate family of that covered person, publicly available -
    - (1) with the intent to threaten, intimidate, or incite the commission of a crime of violence against that covered person, or a member of the immediate family of that covered person; or
    - (2) with the intent and knowledge that the restricted personal information will be used to threaten, intimidate, or facilitate the commission of a crime of violence against that covered person or a member of the immediate family of that covered person.

    For purposes of this statute, a "covered person" includes the following:
    - An individual designated in Section 1114 (Section 1114 includes any officer or employee of the United States or of any agency in any branch of the United States Government, including any member of the uniformed services, while such officer or employee is engaged in or on account of the performance of official duties, or any person assisting such an officer or employee in the performance of such duties);
    - A grand or petit juror, witness, or other officer in or of, any court of the United States, or an officer who may be, or was, serving at any examination or other proceeding before any United States magistrate judge or other committing magistrate;
    - An informant or witness in a Federal criminal investigation or prosecution; or
    - A State or local officer or employee whose restricted personal information is made publicly available because of the participation in, or assistance provided to, a Federal criminal investigation by that officer or employee

    For purposes of this statute, "restricted personal information" includes the following:
    - With respect to an individual, the Social Security Number, the home address, home/mobile/fax numbers, personal email address of, and identifiable to, that individual
  - – Punishable by a fine, imprisonment for up to 5 years, or both

- 18 U.S.C., Section 1521
  - – Whoever files, attempts to file, or conspires to file, in any public record or in any private record which is generally available to the public, any false lien or encumbrance against the real or personal property of an individual described in Section 1114 (see above) on account of the performance of official duties by that individual, knowing or having reason to know that such lien or encumbrance is false or contains any materially false, fictitious, or fraudulent statement or representation and is punishable by a fine, imprisonment up to 10 years, or both

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APPENDIX B: GLOSSARY OF SOVEREIGN CITIZEN TERMS AND DOCUMENTS

1099-Original Issue Document (1099-OID)

The 1099 form is legitimately used to report income other than wages, salaries, and tips. Sovereign citizens use the form to fraudulently pay debts. The 1099-Original Issue Discount (1099-OID) is legitimately filed with the IRS if possession of a financial instrument (such as a bond) results in gross income in excess of $10.00.

To fraudulently discharge a debt, the sovereign citizen completes the form designating the creditor as the recipient. The amount of the debt is listed in the withholding section. When the form is processed, the amount listed as withholding is believed to be placed in the sovereign citizen's "Strawman" account as a credit. A 1040 form is filed with the IRS to obtain a refund for the amount stated in the withholding section of the original 1099.

ACCEPTED FOR VALUE (A4V)

An "Acceptance" is an offer from a sovereign citizen which forms a "binding contract" with the receiving party. The value of the contract is considered the "property" of the sovereign citizen.

> When a sovereign citizen writes "Accepted for Value" on any document, it indicates the sovereign:
>
> a) Has recognized the document as a negotiable contract
> b) Indicates they are willing to negotiate the terms of the contract
> c) Is NOT agreeing to the terms of the acceptance (contract).

If a sovereign citizen writes "Accepted for Value" on a document, they are acknowledging the terms of the contract, recognizing the contract limits their rights, and waive their right to any legal remedies. By acknowledging the terms and limitations, the sovereign citizen is not indicating a willingness to adhere to them. Instead, this person is indicating a willingness to negotiate the terms of the contract. Since sovereign citizens believe the USG operates on a credit system and no tangible assets back US Federal Reserve Notes (US currency), actual bills are viewed as one form of credit requesting payment from another. Therefore, the terms are negotiable. Examples of a contract could be a bill, mortgage, loans, etc.

Examples:

1. A sovereign citizen receives a credit card bill which states the amount owed on the account, an interest rate for the card, and a payment plan. By writing "Accepted for Value" on the bill, the sovereign citizen acknowledges the contract was received. The amount owed, interest terms, and payment schedule are all considered to be negotiable items, which once "accepted for value" could be negotiated with the billing company.

2. A sovereign citizen is arrested based on past criminal activities and is asked during the trial to enter a plea. Since he/she believes the USG is illegitimate and actually a corporation, the sovereign citizen enters "Accepted for Value" as his/her plea. By entering this plea, he/she

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acknowledges the court has made an acceptance (contract) which affects the sovereign citizen's value (freedom). The plea of "Accepted for Value" indicates the sovereign citizen acknowledges they accept the contract, are presenting a counter-offer, and would be willing to negotiate the terms.

AFFIDAVIT OF FIDUCIARY

A sovereign citizen will file an Affidavit of Fiduciary when a financial institution files legal documents against him/her. This Affidavit claims the financial institution's lawyer, will be representing the sovereign citizen. The lawyer cannot ethically represent both parties due to a conflict of interest creating a procedural problem for the filing agency.

AFFIDAVIT OF TRUTH

This document declares the filer as a "sovereign" or "Freeborn sovereign" consistent with the tradition of natural Common Law. Although the individual may have accepted or used instruments of federal, state, and local governments, this does not indicate the acceptance of these items. Therefore, any implied "contracts" with federal, state, and local government are null and void.

The Affidavit describes the Federal jurisdiction as defined by the US Constitution and US Supreme Court cases. The Affidavit also covers the powers and contractual obligations of federal, state, and local government officials. Statutes and regulations which are perceived as contrary to the US Constitution are considered null and void. Finally, the Affidavit includes a revocation of any power of attorney the federal, state, and local government may claim attaches to the issuance of a Social Security number and birth certificate.

Documents and actions specifically declared as void under this declaration include:

- Federal Reserve Notes (US currency)
- Bank accounts
- Social Security number
- Driver's license
- Vehicle license plates
- Birth certificate
- Marriage license
- US Citizenship
- Voter registration
- Past tax returns
- Enrolling children in public schools
- Using 2 letter state abbreviations and zip code numbers

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BILLS OF EXCHANGE, SIGHT DRAFTS, REDEMPTION CERTIFICATES, AND DUE BILLS

These documents are fraudulently created to pay creditors. The documents will either appear to look like a letter or are designed to look like a legitimate check. Fraudulent checks may be issued to banks or creditors to discharge debt. Typically these documents designate the payer as the Treasury Department, the Comptroller of the Currency, or the Commissioner of the IRS.

To determine these checks are fraudulent, check for account numbers at the bottom edge of the document. In fraudulently created documents, account numbers will not be encoded in MICR-style print, or an invalid ABA routing number will be used.

BONDED PROMISSORY NOTE, PRIVATE REGISTERED BOND FOR SET OFF (NON-NEGOTIABLE), PRIVATE REGISTERED OFFSET AND DISCHARGE BOND, AND PRIVATE REGISTERED INDEMNITY BOND (NON-NEGOTIABLE)

Sovereign citizens issue these documents to access funds in their "US Treasury Direct Account." Typically, there is a stipulation requesting the recipient respond within a specified amount of time. Non-response is viewed as "acceptance and honoring of the bond, the associated transactions, and presentments." Bonds expire at a specified time period, typically upon the death of the author. The goal of the bond is to allow the filer to pay debts using their "US Treasury Direct Account."

CORPORATION SOLE

A "Corporation Sole" is a legitimate statute which enables religious leaders to incorporate a religious organization to ensure the continuation of property dedicated for the benefit of a legitimate religious organization. Sovereign citizens exploit the use of Corporation Sole to avoid paying taxes, to launder money, and to hide assets from federal, state, and local government.

Financial institutions and USG agencies (including the IRS) are unable to review the assets of the individual holding the Corporation Sole or the assets of the organization listed in the Corporation Sole. If an official review is allowed, agencies are only able to review the assets of the individual or the organization, but not both. This is because claims can only be made against the individual or the organization. This tactic has been exploited by sovereign citizens as a way to hide assets.

If a religious group files for 501(c) (3) status, not-for-profit status, the group is required to comply with IRS rules. As a tax-exempt organization, the group is required to maintain financial records, document gifts, maintain a list of donors, and, as an organization, engage in activities furthering public purposes. Sovereign citizens consider their religious operations to be sanctuaries rather than organizations and, therefore, not covered under the purview of the IRS rules or laws.

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NOTICE OF ARBITRATION

A sovereign citizen will file a Notice of Arbitration if a financial institution refuses to accept fraudulent financial documents. The Notice demands the financial institution agree to binding arbitration to resolve the dispute. The terms dictate a "friendly" arbitrator, who will ultimately rule in favor of the sovereign citizen, be used to mediate the arbitration.

UCC FILINGS

The Uniform Commercial Code (UCC) was first published in 1952 as part of an effort to help standardize commercial transactions throughout the US. Sovereign citizens commonly use the following legitimate UCC forms as part of fraudulent filings:

- UCC-1
  - A financial form used to secure a loan under the provisions of the UCC.
  - Sovereigns use this document to create a public and private notice of superior security interest, claims, or liens on collateral. The Secured party is listed as the filer or another person whom is entering the contract. The Debtor is responsible for the monetary payment and is listed as officially acknowledging the contract.
  - These documents are filed to complete a security interest and establish priority of collateral.
  - UCC-1 filings protect the Secured party's interest in the collateral offered by a Debtor for a loan.

- UCC-3
  - A form filed as evidence of an assignment, release, or change in the original UCC-1.
  - UCC-3 filings can be used both legitimately and by sovereign citizens to terminate a UCC-1, assign a new Secured party, change the Debtor or Secured party information, or to change the collateral requested in the initial filing.

- UCC-3AD
  - A form filed to authorize amendments listed in the UCC-3.
  - Sovereign citizens are known to file UCC-3 Addendums to pay specific debts.

- General Tactics Using UCCs
  - The sovereign citizen files a UCC naming themselves as both the Secured party and Debtor.
    - This action is believed to "lock" their assets.
    - Sovereign citizens believe "locking" their asset will require them to "pay" themselves before other creditors may claim assets.