**William J. Benson, the Guru that "Never Was"**By: Bill E. Branscum  
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| William J. Benson, is the co-author of a the book, The Law that Never Was, a collaborative effort with “Red” Beckman. To hear him tell it, this investigative research masterpiece, and his $3500 "Reliance Package," (the certified documents he sells in support thereof), are the keys to freedom from taxation.  To hear him tell it, Bill Benson is a Patriot, a former law enforcement officer, previously employed by the Illinois Department of Revenue as a Criminal Investigator, and fired for exposing corruption. He paints himself as a modern day Samuel Adams, leading the charge against unlawful taxation.  Benson's web site, www.thelawthatneverwas.com, has an introductory paragraph that says:  *"The authority of the federal government to collect its income tax depends upon the 16th Amendment to the U.S. Constitution, the federal income tax amendment, which was allegedly ratified in 1913. After a year of extensive research, Bill Benson discovered that the 16th Amendment was not ratified by the required 3/4 of the states, but nevertheless Secretary of State Philander Knox fraudulently announced ratification."*  Don't encourage your clients to take his word for that. The fact is, this self professed guru of the 16th Amendment hasn't got a clue what the 16th Amendment was all about. You probably don't either, so let me address that first.  First, you must understand where the government actually gets the authority to impose taxes, and why it has absolutely nothing to do with the 16th Amendment. Article I, § 8, Clause 1 of the US Constitution says.  *"The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; . . ."*  The United States Constitution gives the Congress the power to "lay" and "collect" taxes which means that Congress can legislate the imposition of taxes and provide for the enforcement mechanisms necessary to collect the tax.  Next, you must understand the background that gives rise to tax protester confusion. Article I, § 2, Clause 3 of the US Constitution says:  *"Representatives and direct Taxes shall be apportioned among the several States . . . , according to their respective Numbers . . ."*  In other words, the US Constitution provides that, just as Congressional Representatives are distributed throughout the Country based upon Census (apportioned), the revenues generated by "direct" taxes must be distributed throughout the Country based on Census as well. Direct taxes, by definition, are those taxes related to real property - all other taxes are excise taxes including taxes on "wages, tips and other compensation."  Ok, that sets the stage - in 1895, the Congress had the Constitutional authority to impose and collect taxes with the stipulation that all direct (property) tax revenue had to be distributed according to census. Just as a small state with a huge population gets more Congressional Representatives than a huge state with a very small population, the Constitution provides that they get more direct tax revenue as well.  We all know this should not be a problem -- there is no federal "property tax." You, I and everyone else, pay our property tax to the county where we live, and the county spends that money locally; but, and it was a very big BUT in 1895, the federal government does consider income derived from property to be taxable.  What if someone argued that taxing income from property (rent, for example) was the same as taxing the property itself? That is precisely what happened.  In 1895, the United States Supreme Court held that the income tax law, as it was then enacted was unconstitutional, because it taxed income from property, which was the same as taxation of the property itself (a direct tax) which made it unconstitutional since federal tax dollars are not apportioned among the States. See *Pollock v. Farmers' Loan & Trust Co.* (1895), 157 U.S. 429, 39 L. Ed. 759, 15 S. Ct. 673; *Pollock v. Farmers' Loan & Trust Co.* (1895), 158 U.S. 601, 39 L. Ed. 1108, 15 S. Ct. 912.  If, taxing income from property was the same as taxing the property itself (and it was, no matter what we think, since the Supreme Court said so), the assertion that the system was unconconstitutional was a "no brainer" because Article 1, § 9, Clause 4, of the US Constitution says:  *"No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken."*  Obviously, this created a problem. Anytime the government finds itself doing something the Supreme Court says is unconstitutional, there are two options; stop doing it, or amend the Constitution. In 1913, the 16th Amendment was ratified which says:  *"The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."*  I can understand how anyone who did not understand the history of this Amendment could read it and interpret it as creating a new power to tax. It didn't; instead, it removed the apportionment requirement that caused the Supreme Court to decree the existing tax laws ***relating to income derived of property*** unconstitutional. All the 16th Amendment actually did was allow the Congress to continue taxing all income, from whatever source, *without being concerned with apportionment issues.*  Don't expect your Clients to take your (or my) word for it. Many of them are devout cult followers totally indoctrinated to believe what some wannabe "Tax Moses" has told them. Fortunately, the US Supreme Court has explained it quite nicely in the case *Stanton v. Baltic Mining Co.*, 240 U.S. 103, 112 (1916), appended as [**Exhibit 1**](http://www.fraudsandscams.com/Benson/Ex01_Stanton_Kwik.pdf), where they say:  *''[T]he Sixteenth Amendment conferred no new power of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged."*  So, therein lies the basis for two issues of concern. First, although William J. Benson touts himself as the expert on the 16th Amendment, and offers his diligent "research" in support thereof, his statement that, *"the authority of the federal government to collect its income tax depends upon the 16th Amendment . . ."* reveals that he doesn't even understand what the amendment was all about and, second, since the 16th Amendment *"conveyed no new power,"* Benson's 16th Amendment ratification related arguments are irrelevant to the power and authority of the US government to tax.  Still, that hardly makes him a monster - it is entirely possible that a person could read the 16th Amendment and conclude that it established the power to tax and therefore believe that a successful assault upon the 16th Amendment could derail the entire income tax system. Frankly, I think Benson genuinely did conclude and believe precisely that - with the emphasis on ***did***. For now, let's reserve judgment upon whether or not he's a monster.  Lets go back to the good old days. To hear him tell it, William J. Benson is a former Criminal Investigator, previously employed by the Illinois Department of Revenue who was fired for exposing corruption. In published reports, newspaper articles, etc., such as the one appended to this report as [**Exhibit 2**](http://www.fraudsandscams.com/Benson/Ex02_WorldnetKwik.pdf), there are references to Benson’s career as:  *A criminal investigator for the Illinois Department of Revenue for approximately 10 years, William J. Benson of South Holland, Illinois has been at the vanguard of debate and controversy surround the 16th Amendment for almost two decades.*  In this same article, previously referenced as [**Exhibit 2**](http://www.fraudsandscams.com/Benson/Ex02_WorldnetKwik.pdf) , Benson describes the facts and circumstances that ended his, “ten year career as a Criminal Investigator.” To hear him tell it, he was a noble crusader, fired as a consequence of his efforts to expose corruption. Specifically, he says:  *“I discovered a great deal of corruption within that department and for that the Director fired me.”*  The Court records reflect that there are other sides to his stories.  According to Judge Cudahy, Seventh Circuit Court of Appeals, Benson was an employee of Bethlehem Steel Corporation during the 1960’s when he filed a claim with the Social Security Administration alleging that he had contracted encephalitis and developed a seizure disorder that rendered him completely unable to work. He began receiving disability benefits, and he continued to receive those benefits for approximately twenty years, fraudulently representing that he was entirely unable to perform any work at all. See [**Exhibit 3**](http://www.fraudsandscams.com/Benson/Ex03_SSAFraud.pdf).  Ironically, according to the facts as stated by Judge Cudahy, Benson began working for the Illinois Department of Revenue (IDOR) in 1971 as an informant. He is also alleged to have been contemporaneously employed as a bartender in a bowling alley cocktail lounge.  It may seem incredibly incongruous to his disciples that William J. Benson, who currently plays the role of the noble knight errant, and indefatigable supporter of those who seek to evade their tax liabilities, actually began his tax related career as a “snitch,” but that appears to be the case according to [**Exhibit 4**](http://www.fraudsandscams.com/Benson/Ex04_67F.3d.pdf)**,** where Judge Cudahy says:  *Beginning in the early 1970's, however, Benson returned to work. He apparently first began working as a bartender at a bowling alley and cocktail lounge . . . In 1971, he joined forces with IDOR as an informant.*  Judge Cudahy's characterization notwithstanding, Benson's job is not entirely clear, but it is clear that it related to the problem that Illinois was having related to their state taxes on cigarettes. Evidently, people were circumventing the tax by buying cigarettes in Indiana and trucking them in to Illinois. Benson lived in South Holland, Illinois, which is not far from the Indiana border, and worked out of a squad room on LaSalle Street in Chicago.  In the latter part of 1971, the IDOR apparently adopted an aggressive, proactive policy; they established surveillance operations where they monitored the activities at various Indiana cigarette stands close to the Indiana/Illinois border.  In March 1973, Robert Allphin became the Director of IDOR and adopted a hard line “zero tolerance” policy. During his administration, Tax Act violators were arrested and their vehicles were confiscated. By all appearances, the IDOR was outrageously overzealous in their enforcement activities resulting in lawsuits and legislation intended to reign them in. Ironically, the same William J. Benson that we now see preaching tax protestations was named as a defendant in at least four of these lawsuits. See [**Exhibit 5**](http://www.fraudsandscams.com/Benson/Ex05_Assignment.pdf).  On November 1, 1974, Benson matriculated from being a paid informant, to being an independent contractor. He entered into a one-year written employment contract with the Department to "undertake projects requiring personal and technical services as assigned by the Department of Revenue concerning pending investigations." as evidenced by [**Exhibit 6**](http://www.fraudsandscams.com/Benson/Ex06_ContractDetails.pdf), the contract provided that Benson was to be paid $750 per month and further stated: "It is expressly agreed that for liability insurance purposes only, William Benson will be considered an employee rather than an independent contractor.”  According to Benson, he was later fired for trying to expose corruption; the state told a different story. The state alleged that Benson was terminated from employment because he attempted to extort a Department of Revenue job from Allphin and they submitted various affidavits asserting that Allphin, at the time he decided to terminate Benson, did not know of Benson's disclosures to the press and various law enforcement officials. They also produced allegedly contemporaneous notes of Benson's attempts to extort a permanent position with the Department of Revenue. See [**Exhibit 7**](http://www.fraudsandscams.com/Benson/Ex07_Extortion.pdf).  On July 21, 1976, after he was fired, Benson filed an affidavit with the state trial-court judge. In the affidavit, he stated that he had been told by his superiors at the IDOR to disregard the April 1974 injunction, and to distort his testimony at the contempt hearing. Benson claimed further that IDOR records had been destroyed and that others had been withheld or altered in violation of the state court's production order. See [**Exhibit 7b**](http://www.fraudsandscams.com/Benson/Ex07b_BensonAff2Judge.pdf).  This seems curious. Benson paints a picture in which he is a crusader who could not be stifled from exposing corruption and was fired as a consequence. Yet, after he was terminated, he filed an Affidavit alleging that at the behest of his supervisors, he committed perjury upon direct examination intended to uncover this very same corruption.  Benson also alleges that in addition to firing him, his supervisors (Allphin and Rummel) maintained a campaign of harassment against him. For example, they caused information to be sent to the Social Security Administration and the Internal Revenue Service to encourage them to investigate and prosecute him.  In this regard and in retrospect, Benson’s position suffers from the fact that, whomever it was that turned him in, and for whatever reason, he was guilty of fraudulently collecting Social Security benefits and tax evasion as evidenced by the fact that he was indicted and convicted.  The trial court records reflect that Benson was fully aware that he was perpetrating a fraud upon the Social Security Administration. A co-worker testified that he had contacted the SSA anonymously and determined that he would be required to pay back $20,000. In addition, he was collecting disability benefits from Bethlehem Steel and accepting a deferred payment disability benefit from Metropolitan Life Insurance. When the SSA began investigating Benson, he tried to convince SSA Investigators that his position with IDOR was part of a rehabilitation program when he knew it was not and ultimately sought refuge in the defense, "If he was guilty of fraud, others were too." See [**Exhibit 8**](http://www.fraudsandscams.com/Benson/Ex08_SSAFraud2.pdf).  In December 1989, a jury in the federal criminal tax evasion case convicted Benson of two misdemeanor counts of willful failure to file a federal tax return, 26 U.S.C. § 7203, and one felony count of willful tax evasion, 26 U.S.C. § 7206. Judge Paul E. Plunkett sentenced Benson to one-year terms on counts I and II (misdemeanors), and a four-year term on count III (felony). All three jail sentences were to run concurrently. See [**Exhibit 9.**](http://www.fraudsandscams.com/Benson/Ex09_Conviction.pdf)  Following his conviction, Benson filed a flurry of post-trial motions in Case No. 87 CR 278, *United States Of America v. William J. Benson, Defendant*, United States District Court for the Northern District of Illinois, Eastern Division. The Decision and Order, as reported at 1990 U.S. Dist. LEXIS 2631, is appended to this report as [**Exhibit 10**](http://www.fraudsandscams.com/Benson/EX10_1990_U_S_Dist_LEXIS_2631.pdf). It provides a great deal of information about the case, including the fact that on March 6, 1990, all the motions were all denied.  On May 29, 1990, Benson began serving his sentence. Fortunately for him, he was sentenced before the current sentencing guidelines went into effect so he was to become eligible for parole after serving one third of his sentence, with credit for "good time." Benson was scheduled to be paroled on September 27, 1991. See [**Exhibit 11**](http://www.fraudsandscams.com/Benson/Ex11_1stConvictionParoleDate.pdf) .  Following the denial of his post-trial motions, Benson filed a Motion for Reconsideration in Case No. 87 CR 278, *United States Of America v. William J. Benson, Defendant*, United States District Court for the Northern District of Illinois, Eastern Division. The Decision and Order, as reported at 1991 U.S. Dist. LEXIS 2178 is appended to this report as [**Exhibit 12**](http://www.fraudsandscams.com/Benson/Ex12_1991%20U.S.%20Dist.%20LEXIS%202178.pdf) . This document provides further information regarding the background of this situation, and establishes that Benson’s Motion for Reconsideration was denied on January 18, 1991, along with his renewed Motion for Bail Pending Appeal.  Benson appealed his felony convictions related to tax evasion, see Case 90-1572, reported at 941 F.2d 598, *United States of America, Plaintiff-Appellee, v. William J. Benson, Defendant-Appellant*.  On September 3, 1991, the Seventh Circuit reversed Benson's convictions and remanded for a new trial on all charges. The Decision and Order is appended to this report as [**Exhibit 13**](http://www.fraudsandscams.com/Benson/Ex13_90-1572_941%20F.2d%20598.pdf) .  On September 4, 1991, the day after the opinion was issued, Benson was released from prison on bond. At that point in time, Benson had served 467 days in federal prison and was scheduled for parole later that month.  In February 1994, Benson was retried and convicted again on the same three counts. Judge John F. Grady sentenced Benson to the same concurrent terms of one year for his count II misdemeanor, and four years for his count III felony conviction. For the count I misdemeanor, Judge Grady sentenced Benson to five years probation to run consecutive to the sentences imposed on count II and III. Judge Grady also imposed a criminal fine together with the costs of prosecution, the latter totaling $ 4,083, pursuant to 26 U.S.C. §§ 7201, 7201. See [**Exhibit 14**](http://www.fraudsandscams.com/Benson/Ex14_2ndConviction.pdf)  Curiously, Benson and his criminal defense attorney never claimed during his sentencing hearing before Judge Grady that because Benson had already served more than 365 days in jail for his three concurrent sentences, the double jeopardy clause precluded the Judge Grady from entering a probation sentence on Count I, a misdemeanor.  On November 10, 1994, Benson began serving his second four-year sentence. Because he had already served 467 days, and because his sentence was imposed under pre-guideline rules, Benson was only required to serve an additional 18 days in prison.  To hear Benson tell it, the government is afraid to deal with him, but it sure doesn't look that way to me. Now, I ask you - those of you who have been feds, or been involved in fed task forces - how many times have you seen the federal government decline to prosecute serious offenders because they weren't serious enough? It always comes down to, how many dollars involved, or how many pounds/kilos. Can you imagine the federal government going thru all the gyrations that accompany a criminal prosecution just to make someone serve eighteen days?   On November 28, 1994, Benson was paroled again. William J. Benson was 67 years old. Personally, I would have thought that Benson would have had enough of this by now - I would have been wrong.  Benson once again appealed his felony convictions related to tax evasion, even though he had already served his time. See Case 94-2214, reported at 67 F.3d 641, *United States of America, Plaintiff-Appellee, v. William J. Benson, Defendant-Appellant*, appended to this report as [**Exhibit 15**](http://www.fraudsandscams.com/Benson/Ex15_94-2214_67%20F.3d%20641.pdf) .  On May 19, 1995, Benson’s appeal of his 1994 conviction was heard by the US Court of Appeals for the 7th Circuit. For some reason, neither Benson, nor his attorney, raised the issue regarding the probation order entered by Judge Grady. His second appeal was limited to his convictions on Counts II and III.  On October 6, 1995, The US Court of Appeals for the Seventh Circuit affirmed his second conviction and sentence, rejecting Benson's sufficiency of the evidence and jury instruction arguments. See *United States v. Benson*, 67 F.3d 641, 642 (7th Cir. 1995), previously referenced as [**Exhibit 15.**](http://www.fraudsandscams.com/Benson/Ex15_94-2214_67%20F.3d%20641.pdf)  Benson responded to the affirmation of his 1994 conviction by filing a Petition for Rehearing, see Case 94-2214, reported at 74 F.3d 152, *United States of America, Plaintiff-Appellee, v. William J. Benson, Defendant-Appellant*, appended to this report as [**Exhibit 16**](http://www.fraudsandscams.com/Benson/Ex16_94-2214_74%20F.3d%20152.pdf).  On January 18, 1996, The US Court of Appeals for the Seventh Circuit denied Bensons Petition for Rehearing as stated in the previously referenced [**Exhibit 16**](http://www.fraudsandscams.com/Benson/Ex16_94-2214_74%20F.3d%20152.pdf) .  On July 30, 1997, Benson was released from parole for his four-year sentence at which time the five-year probationary period to which he had been sentenced by Judge Grady began. In February 1998, less than seven months into Benson's probation, Assistant U.S. Attorney Safford filed a motion to have Benson's probation revoked for various probation violations according to [**Exhibit 17**](http://www.fraudsandscams.com/Benson/Ex17_ProbationVacated.pdf).  Again, this is the same William J. Benson who would have it believed that the government fears meeting him in a courtroom.  In October 1998, during the probation revocation hearing before Judge Grady, Benson 's attorneys argued for the first time that Judge Grady's earlier imposed probation sentence violated Benson's Fifth Amendment double jeopardy rights. Specifically, Benson argued that the probation sentence on count I was improper because he had already served a one-year term associated with Count I, while awaiting the resolution of his first appeal.  On March 18, 1999, just a few days prior to Benson’s seventy-second (72nd) birthday, and approximately twenty months into his probation, Judge Grady agreed with Benson and vacated his probation. See [**Exhibit 18**](http://www.fraudsandscams.com/Benson/Ex18_BensonDecision.pdf) .  Note that this was the first time Benson actually “won” in any criminal court proceeding he had been involved in. While he could, perhaps, claim a victory in winning his appeal of his initial three count criminal conviction, all he gained was another trip through the system, and another three count conviction resulting in the unlawful imposition of a four thousand dollar fine and five year period of probation with regard to an offense that he had previously been convicted of, and served his time for.  In fact, I am not sure that this could be viewed as much of a “win” either. All he got was an acknowledgement that he had been unlawfully fined and sentenced to an extended period of probation. By that time, he had paid most of the fine and served a twenty-month probationary period for nothing.   Armed with the foregoing information, as well as the corroborating documents, you should have no trouble convincing your Clients that there is another version of his story that differs rather dramatically from the way in which he tells it. Nevertheless, some might argue that this does not disprove his claim that his 16th Amendment ratification issues are a viable defense in tax cases. After all, William J. Benson assures everyone that the courts have never considered his evidence that IRS knows they cannot allow to see the light of day.  Hogwash.  Perhaps the best way to deal with this is to allow your Clients to read for themselves, and see what has happened to those who trusted William J. Benson to give them tax advice.  [**Appendix 1**](http://www.fraudsandscams.com/Benson/Wojtas.htm) : Wayne Wojtas’ Experience with “Reliance” on Benson (1985)  **Wayne Wojtas’ “Reliance” on Benson (1985)** By: Bill E. Branscum Copyrights 2003   |  | | --- | | The Wojtas case, decided May 10, 1985, by the United States District Court For The Northern District Of Illinois, Eastern Division, Case No. 85 CR 48, cited as *United States Of America, Plaintiff, v. Wayne Wojtas, Defendant*, and reported at 611 F. Supp. 118, is particularly interesting in that Wayne Wojtas was not a pro se appellant – he was represented by Andrew B. Spiegel, the attorney lauded by William J. Benson in the book The Law That Never Was.  Also note, that this is the same Atty. Spiegel who represented Benson in previous litigation and is alleged to have paid him in excess of $100K in "under the table" cash that Benson was convicted of neglecting to pay tax on.  In this tax evasion case, Wayne Wojtas moved to dismiss the indictment charging him with three counts of willful failure to file income tax returns in violation of 26 U.S.C. § 7203. In support thereof, Wojtas argued that the Sixteenth Amendment was not validly ratified, so that the present Internal Revenue Code was unlawful, and any indictment brought under the Code was invalid.  As evidence, Attorney Andrew Spiegel submitted his Memorandum of Law as well as three large volumes including: The Law That Never Was by Bill Benson and M. J. "Red" Beckman, and two loose-leaf binders containing certified copies of the documents referred to in the book.  In this 1985 case, the Court received and reviewed Benson’s “evidence” as presented by Atty. Spiegel according to the published Opinion, in which they state:  *“The Court This Court has read all the introductory and concluding materials in the Benson-Beckman volume, particularly including the February 15, 1913, memorandum (the "Opinion") by the Solicitor of the Department of State (that Department's general counsel, with responsibility for furnishing legal opinions to the Secretary of State) -- a document characterized by Messrs. Benson and Beckman as their "Golden Key" that "unlocks a Pandora's box of criminal fraud perpetrated by public servants, who betrayed the trust of their masters."*  The Court went on to say:  *"Spiegel argues for Wojtas that Secretary of State Philander Knox committed fraud -- a violation of the criminal statutes of the United States -- in certifying the adoption of the Sixteenth Amendment. But Wojtas' counsel is no different from most persons who essay revisionist history: He prefers to ignore what he cannot explain away. [C]ompliance with Article V's requirements are within the sole province of Congress and not the courts -- in the language that has come to characterize such issues, they are "political" (that is, nonjusticiable) questions.*  *Wojtas' counsel simply refuses to recognize the impact of Field (let alone Leser) on his arguments "an amendment has been completed and become a part of the Constitution," and as to that the "Congressional determination ... is final and removed from examination by the courts."*  *Despite Wojtas' counsel's efforts to distinguish away controlling Supreme Court authority, the principles announced in Leser, Field and Coleman are dispositive.* ***Secretary Knox's certification and Congress' determination as to the adoption of the Sixteenth Amendment are not judicially reviewable.*** [my emphasis]  Further, as if the spanking they gave Benson's 16th Amendment argument wasn't enough, the Court saw fit to include an Appendix to their decision providing a forum for them to express ther comments related to Atty. Spiegel.  *One kind of extraordinary irony is posed by the motion dealt with in the body of this opinion. Wojtas' counsel Spiegel, apparently imbued with the same fervor that marks his clients' beliefs, makes a number of references to asserted misrepresentations and false representations by government counsel (in that respect Spiegel would do well to read ABA Code of Professional Responsibility EC 7-37). Yet he fails to recognize the lack of candor in one of his own fundamental contentions, on which it is worth spending a moment.*  *But the point here is not whether counsel is right in contending that the proper test for his clients' criminal intent is a subjective one, but rather whether counsel is forthright in simultaneously urging a sharply different standard for "criminality" of the long-deceased former Secretary of State.*  *This is not a case where "foolish consistency is the hobgoblin of small minds." Counsel's responsibilities to the adversary system deserve better.*  Rather than expect your Clients to accept your word for it, you can let them read the Decision, Order and Appendix for themselves. See [**Exhibit.**](http://www.fraudsandscams.com/Benson/Ex00_Wojtas_611%20F.%20Supp.%20118.pdf) **- Ex00 Wojtas 611 F. Supp. 118** | |

[**Appendix 2:**](http://www.fraudsandscams.com/Benson/thomas.htm) Kenneth L. Thomas’ Experience with “Reliance” on Benson (1986)

**Kenneth L. Thomas’ “Reliance” on Benson (1986)**By: Bill E. Branscum  
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| From 1966 through 1976 Kenneth L. Thomas, a Field Engineer employed by IBM, filed his tax returns. He subsequently stopped, claiming that he had no tax liability and the government finally caught on – they indicted him on March 19, 1984 and charged Thomas with willfully failing to file tax returns for the tax years 1979, 1980, and 1981.  Note that they could not charge Thomas with 1977 and 1978 due to the 5 year statute of limitations, and they could not charge him with failure to file for tax years 1982 and 1983 because it was not yet too late to file those. A superseding indictment filed October 1, 1984, retained these three charges and added four more: failing to file tax returns for 1982 and 1983, and willfully filing false certificates asking his employer to cease all withholding on the ground that he was “exempt" from taxation.  The trial began on January 15, 1985. Thomas argued that he did not need to file tax returns because the Sixteenth Amendment was not part of the Constitution. Thomas insisted that it was not properly ratified, citing as his authority the argument of W. Benson & M. Beckman, The Law That Never Was (1985).  The jury convicted Thomas on all counts. The district court sentenced Thomas to a total of four years' imprisonment and fined him $22,000. Thomas filed an appeal.  On April 17, 1986, the Seventh Circuit Court of Appeals published an Opinion by Judge Easterbrook in which he stated:  *“Benson and Beckman did not discover anything; they rediscovered something that Secretary Knox considered in 1913.”*  *“Thomas insists that because the states did not approve exactly the same text, the amendment did not go into effect. Secretary Knox considered this argument. The Solicitor of the Department of State drew up a list of the errors in the instruments and -- taking into account both the triviality of the deviations and the treatment of earlier amendments that had experienced more substantial problems -- advised the Secretary that he was authorized to declare the amendment adopted. The Secretary did so.”*  *“Although Thomas urges us to take the view of several state courts that only agreement on the literal text may make a legal document effective, the Supreme Court follows the "enrolled bill rule." If a legislative document is authenticated in regular form by the appropriate officials, the court treats that document as properly adopted. Secretary Knox declared that enough states had ratified the sixteenth amendment. The Secretary's decision is not transparently defective. We need not decide when, if ever, such a decision may be reviewed in order to know that Secretary Knox's decision is now beyond review.”*  This Opinion, recorded as; United States Of America, Plaintiff-Appellee, v. Kenneth L. Thomas, Defendant-Appellant, Case No. 85-2120, United States Court Of Appeals For The Seventh Circuit, 788 F.2d 1250, is appended to this report for your review as Exhibit.  In reviewing this case, note that the 7th Circuit Court of Appeals was fully aware of Benson, his book in general, and the Sixteenth Amendment related issues in particular. They specifically referenced these, stated that the entire issue is now “beyond review,” and explained why.  Also note that, although some of Thomas’ convictions (Counts One through Three) were reversed, they were reversed under 18 USC §3162(a)(2) due to “speedy trial” issues. Benson’s 16th Amendment related issues were disposed of outright as irrelevant.  Rather than expect your Clients to accept your word for it, you can let them read the Decision, Order and Appendix for themselves. See [**Exhibit.**](http://www.fraudsandscams.com/Benson/Ex00_Thomas_788%20F.2d%201250.pdf) Ex00 Thomas 788 F.2d 1250.pdf  [**Appendix 3:**](http://www.fraudsandscams.com/Benson/arthur.htm) Daniel T. Arthurs’ Experience with “Reliance” on Benson (1986)  **Daniel T. Arthurs’ “Reliance” on Benson (1986)** By: Bill E. Branscum Copyrights 2003   |  | | --- | | In October 1983, Daniel T. Arthur and his wife, Theresa L. Arthur, filed amended Arizona state tax returns for the years 1980 and 1981 requesting refunds on the ground that they "mistakenly included as income a source of income, rather than income from that source." The Department of Revenue approved their request and refunded $ 1,164.73 for their 1980 personal income taxes and $ 1,349.60 for their 1981 personal income taxes.  In May 1984, the Department of Revenue filed a Complaint against the Arthur’s alleging that they filed tax returns containing false information. The Department sought recovery of the amounts refunded to the Arthurs and a penalty of $ 1,000 per tax return containing false information.  Upon motion for summary judgment, the court granted the Department its requested relief and awarded attorneys' fees. Daniel Arthur filed an appeal alleging, inter alia, that the Sixteenth Amendment to the United States Constitution was never validly ratified.  The published Opinion in Case No. CA-CIV 8546, Department Of Revenue, Plaintiff-Appellee, v. Daniel T. Arthur, Defendant-Appellant, reported as 153 Ariz. 1; 734 P.2d 98; 1986 Ariz. App. Lexis 718, is appended to this report as Exhibit. In affirming the trial court’s Summary Judgment, the Arizona Court of Appeals said:  *"Arthur argues that the Internal Revenue Code, 26 U.S.C. § 1 et seq., is invalid because the sixteenth amendment to the United States Constitution which authorizes the imposition of personal income taxes was not lawfully ratified.*  *Arthur's argument that the sixteenth amendment was not lawfully ratified is based upon an alleged fraudulent scheme between then Secretary of State Philander Knox and his Solicitor of the Department of State in certifying ratification of the Sixteenth Amendment on February 25, 1913*  *As documentation of these fraudulent activities, Arthur submitted to the court a copy of The Law That Never Was (1985), written by Bill Bensen and M.J. "Red" Beckman, and three spiral-bound volumes of supporting documents.*  *Questions concerning the validity of constitutional amendments and compliance with the requirements of article V of the United States Constitution are within the sole province of Congress, not the courts.*  *In Leser v. Garnett, the United States Supreme Court held that the validity of the ratification of the nineteenth amendment was a nonjusticiable issue. Such issues are considered "political questions" and are not justiciable. Wojtas, id.; United States v. Thomas, 611 F.Supp. 881 (N.D.Ill.1985).*  *The question before us today has been decided in United States v. Wojtas, supra. In that case, the court held that the issue of whether the Secretary of State committed fraud in certifying adoption of the sixteenth amendment raised a political question within the exclusive power of Congress to determine. Accordingly, we do not review the validity of the ratification of the sixteenth amendment on the ground that it is a political question that is more appropriately addressed by Congress."*  With regard to the Trial Courts award of attorney’s fees to be taxed against Arthur, the Appellate Court ruled:  *" Arthur raises several issues that are not novel, but are, in our opinion, frivolous -- for example, the claim that the sixteenth amendment is invalid. The core issues in this case are frivolous. We affirm the trial court's award of attorneys' fees.*  *With regard to the Department of Revenue’s petition for attorney’s fees related to the appeal, the Appellate Court ruled:  The record is clear and convincing that this appeal is frivolous. We award the Department attorneys' fees on appeal."*  Rather than expect your Clients to accept your word for it, you can let them read the Decision and Order for themselves. See [**Exhibit.**](http://www.fraudsandscams.com/Benson/Ex00_ArthurCase.pdf) Ex00 ArthurCase.pdf |   [**Appendix 4:**](http://www.fraudsandscams.com/Benson/sato.htm) Mark & Laura Sato's Experience with “Reliance” on Benson (1989)  **Mark and Laura Sato's “Reliance” on Benson (1989)** By: Bill E. Branscum Copyrights 2003   |  | | --- | | In January, 1989, the United States District Court For The Northern District of Illinois, Eastern Division disposed of Case No. 88 C 6487, *United States Of America, Plaintiff, v. Mark Sato And Laura Sato, Defendants* as reported at 704 F. Supp. 816; 1989.  This case should be particularly interesting to those who report that Benson has claimed, and continues to claim, that no court has ever addressed the material he provides in his “Reliance” package regarding the 16th Amendment. Evidently, the Sato’s believed that too.  The Sato’s pro se Motion to Dismiss for lack of subject matter jurisdiction was premised on the purported invalidity of the Sixteenth Amendment to the United States Constitution. Note that the Sato’s were aware that other courts had held that the 16th Amendment was valid, but they argued that the prior court decisions should not be controlling because,  *“They were decided without the benefit of the research compiled by W. Benson & M. Beckman, in The Law That Never Was.”*  This assertion echoes the claims that Benson makes to the effect that the courts have engaged in some sort of conspiracy to avoid dealing with his “evidence” as compiled in his “Reliance” package.  In addressing the Sato's assertion that no prior case had been decided in light of Benson's research, the Court responded,  *“First, it simply is not true that The Law That Never Was was not presented to the Seventh Circuit.”*  The Court went on to explain that the information compiled in The Law That Never Was has been known since 1913, and the Court found that it presented no grounds for invalidating the Sixteenth Amendment. The Court said,  *“As the Seventh Circuit has stated, "the Sixteenth Amendment has been in existence for 73 years and has been applied by the Supreme Court in countless cases. This Court is not inclined to revisit the amendment's validity at this time in the absence of the most compelling reasons. Defendants' arguments concerning The Law That Never Was do not constitute such compelling reasons.”*  Sadly, it was the Satos, not Bill Benson, that paid the price for the misguided faith and trust they placed in him. Rather than expect your Clients to accept your word for it, you can let them read the Decision and Order for themselves. See [**Exhibit.**](http://www.fraudsandscams.com/Benson/Ex00_Sato_704%20F.%20Supp.%20816.pdf) Ex00 Sato 704 F. Supp. 816.pdf |   [**Appendix 5:**](http://www.fraudsandscams.com/Benson/miller.htm) Marvin D. Miller's Experience with “Reliance” on Benson (1989)  **Marvin D. Miller's “Reliance” on Benson (1989)** By: Bill E. Branscum Copyrights 2003   |  | | --- | | In 1984, the year that Benson claims to have completed his research into the ratification of the 16th Amendment, Marvin D. Miller of Knox, Indiana, filed a federal income tax return, upon which he wrote:  "New evidence, Certified and Documented, Shows the 16th Amendment was never legally passed. This means the whole Form, The IRS and income tax Structure is Fraudulent and Illegal, doesn't it? Please Advise!"  The Internal Revenue Service responded by assessing Miller with a civil penalty of $500 for filing a "frivolous" return within the meaning of 26 U.S.C. § 6702. Miller filed a Complaint challenging this assessment and the constitutionality of the Sixteenth Amendment in US District Court.  In his pro se Complaint, Miller alleged that the Sixteenth Amendment is unconstitutional because it was illegally ratified. According to the Court documents, Miller specifically relied upon the book by William Benson and "Red" Beckman entitled The Law That Never Was (1985). The government, in turn, moved for summary judgment and requested attorneys' fees and costs for defending against a frivolous suit.  On September 3, 1987, the district court granted the government's motion, dismissed Miller's Complaint and sanctioned Miller $1500 for pursuing a frivolous defense.  On December 1, 1987, an undaunted Miller filed a Notice of Appeal. In this appeal, Miller argued that he brought his claim in good faith and that the sanctions were excessive.  On February 8, 1989, the Seventh Circuit Court of Appeals published a per curiam Opinion in which they stated:  *“As best we can surmise, Miller has followed the advice of those associated with the "tax protester movement." The leaders of this movement conduct seminars across the country in which they attempt to convince taxpayers that the sixteenth amendment and assorted enforcement provisions of the tax code are unconstitutional.”*  *“The movement's manifesto, Benson and Beckman's The Law That Never Was, is a collection of documents relating to the ratification of the sixteenth amendment, and is intended to be both a call to arms for the movement and "exhibit A" in the trials of tax protesters who argue that the sixteenth amendment was illegally ratified.”*  *“Benson and Beckman did not discover anything; they rediscovered something that Secretary Knox considered in 1913. The Solicitor of the Department of State drew up a list of the errors in the instruments and--taking into account both the triviality of the deviations and the treatment of earlier amendments that had experienced more substantial problems--advised the Secretary that he was authorized to declare the amendment adopted. The Secretary did so. ... [his] decision is now beyond review.”*  *“We find it hard to understand why the long and unbroken line of cases upholding the constitutionality of the sixteenth amendment generally, and those specifically rejecting the argument advanced in The Law That Never Was, have not persuaded Miller and his compatriots to seek a more effective forum for airing their attack on the federal income tax structure.”*  In reviewing this exhibit, note that the cited quotes are verbatim. It is undeniable that the 7th Circuit Court of Appeals was fully aware of William J. Benson, his book in general, and the Sixteenth Amendment related issues raised in the book in particular, nevertheless holding that the entire issue is “beyond review.”  Furthermore, the Court also referenced the long and unbroken line of cases rejecting Benson’s ratification argument.  In sum, the representations that the Court has never addressed the issues raised in the Law That Never Was, and that the government is afraid of these issues and knows they cannot win in the face of Benson’s “Reliance Package,” are well beyond merely disingenuous.  Rather than expect your Clients to accept your word for it, you can let them read the Decision and Order for themselves. See [**Exhibit.**](http://www.fraudsandscams.com/Benson/Ex00_Miller_868%20F.2d%20236.pdf) Ex00 Miller 868 F.2d 236.pdf |   Now, I suppose that someone, somewhere, may have a Client of uncommon generosity, desperate to give their pal Benson the benefit of the doubt. These are, after all, people who were capable of believing that they could convince a federal judge to declare our entire tax system unconstitutional just because some huckster said so.  "Perhaps," one such person might say, "the failures of William J. Benson's arguments are unknown to him. Perhaps, nobody who believed him, trusted him, and spent their money on his package of worthless paperwork ever let him know what happened. Maybe, just possibly, Benson honestly believes that his research has never been presented to a court in a case of first impression."  For that person, the William J. Benson true believer, I have saved the best for last.  [**Appendix 6:**](http://www.fraudsandscams.com/Benson/house.htm) George and Marion House's Experience with “Reliance” on Benson  As evidenced by the House Appendix, it's been almost twenty years since the 16th Amendment ratification issue was presented in federal court. It was, in fact, certified as a case of "first impression," and William J. Benson appeared armed with the very documents that he claims have never been considered. The record is clear - he personally introduced and explained them and the Court was not persuaded.  Finally, have your Client's review Benson's experience relying on his own documents. Benson attempted to argue his 16th Amendment ratification issue in his own case. As evidenced by [**Exhibit 19**](http://www.fraudsandscams.com/Benson/Ex19_BensonIsWrong.pdf), the Court was not persuaded.  Since then, time and time again, people have appeared before judges to adamantly, vehemently, insist that they must consider the "evidence" that they bought from William J. Benson, assured that it had never seen the light of day. The cited examples are only a few.  Like some sort of “Jim Jones” wannabe tax expert/evangelist, William J. Benson preaches poison. He urges his cult following to believe in him, have faith in him, pay him the $3500 he charges for his “Reliance Package” and “drink the Kool Aid,” depending upon his box of documents to protect them. |