

TO CAROLYN LAYTON

Law Office Report #22 March 17, 1978 Page 1 from June

TAXES

This report concerns the shipment of supplies to Tish which is coming via Ujara in crates #107, 108 and 109, labeled Ben Barrett, Kathy Barrett and Ronnie Berryman/ and some separate items which are being shipped with this report because they need to be taken care of soon and the supplies being sent over will take awhile to sort through.

1. 1977 income tax returns to be filed for people over there: Enclosed with this report are W-2's which have arrived in the mail for people who are over there. These are the only ones which have come in; as more come in we will send them over. Attached also is a list of all W-2's which have come in; Betty has assigned each person a number and if you have any messages or questions concerning these people, you can refer on the radio to this report and their individual #.

In crate #109 is the bulk of the 1976 income tax returns sent for reference; there may be some carryover in crate #108. These are all we could find in the files here. As more turn up, we will send them over. However, the state of the files is such that individual tax return files are stuck in everywhere, in no order, and it may take time to recover them. In the meantime, it appears that most people file short forms anyway so there should be no problem as long as you have a W-2. I will specify individual problems I know about later on in this report.

2. Sending over supplies to Tish: Because of the incredible bulk of material involved, this will take some time. We have removed the cabinets from the building to a place of more confidentiality; we need the keys for these cabinets so we can lock them. SEND THEM BACK: Betty tells me Tish took them with her when it was thought they would be shipped. Shipping costs are so large, and the records are the kind which should be carefully watched all the way there to insure their arrival, that we are considering packing them in duffel bags and sending out from time to time. If we do this, we need to know if (1) you want the needs slips; (2) you want the boxes of cancelled checks; (3) you want the 4 drawers worth of Apostolic receipts of money orders, filed for each member. We sent the equivalent of one file drawer of Apostolic over in the Ujara shipment, but we had to stuff those receipts in manila envelopes simply because of the weight.

We tried to send recap sheets mostly and a minimum of receipts; however, in going back I found many recaps that will need still to be sent, 1976 records. This is going to be a gradual thing, I'm afraid, mainly because of the restrictions on weight. The airline has cut back the weight limit to 77 lbs for the standard charge, a crate weighs 30 lbs alone, so we are going to do as many duffel bags as possible.

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3. Individual tax problems:

a Ben Bowers: Hopefully this will be resolved by the time it gets to you, but here's what I've been trying to say on the radio: Ben and Christine Tally were married, divorced in 1977. During the marriage, there was a trust fund set up consisting of her estate. Interest accrued on that trust fund, and every month or so statements would come in from the bank telling about the account, and interest accumulated. No one here seems to know what ever happened with that account, whether it was closed down or what, and if that happened in 1977. Ben is going to file the long form and itemize his deductions, including interest on savings. Does this trust account still figure in the itemizations for 1977? How would we or he go about finding out the interest accumulated in 1977, if any? Where would we look on this end? I have the estate file for Christine, but the latest receipts from the bank are dated 12/76.

Ben also wants receipts from us for his rent, food, medical expenses and church donations. The donations are simple; I can do the standard donation letter I have been doing, based on 10% estimation. However, since our records were stolen in May, 1977, and that is just about the time he left, how are we to supply receipts for such itemizations without being inconsistent? Can we just make estimations and give the same reason as we do in the church donation letter?

b. Alfreda Sappho - wants to do long form and itemize deductions, and wants same as Ben, receipts from us re rent, food, church donations. The general problem is: what do we do with communal people who work and want to file long form to itemize deductions? I do not believe there are many, if any besides her and Ben, at least none have come to us yet. But Alfreda is becoming very difficult to deal with on this issue, and says she'll go to H&R Block. I am going to tell her to see H&R Block and find out what they need for itemizations, then come back and tell us specifically. But I anticipate it will be much like Ben's case, and would like some kind of guidance on how to deal with such cases.

c. We are returning to you the problems which we first listed on law office report #7, 12/22/77, plus some additions, as these people are all over there and should be dealt with over there. The additions are Leon Perry, a bill for \$135 from IRS, which Harold originally asked Tish about and no response has been sent in from here; a notice to Walter Cartmell, which does not appear to be a charge but an informational notice about a previous return he filed which required some correction a charge to Annette Jones of \$686 for incorrect 1975 return. The rest are those we already wrote you about: Robert & Vernetta Christian; Shirley Ann Edwards (Newell); Alvaray Satterwhite; Mary Shavers; Clev & Helen Swinney; Al & Mary Tschetter. These may be easier to deal with after you have located their individual income tax files which are coming to you via Ujara.

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4. Discussions with Marshall Bentzman re audit of P.T.: He is presently researching issue of right of feds to search records of churches; Martha is writing this up in more detail, my general impression is that the feds have the burden of proof and must justify their reasons for examining church records; that they can only examine in order to determine that the church is indeed a church and functioning as such; and the magic key is the suspicion that the church may be practicing in unrelated business income. This is not new to us, but I agree with his approach in saying that we would defend all the way; we should not acquiesce but instead demand that they prove their intentions first. This is all for the purpose of dragging the thing on. Tonight I xeroxed pieces of the IRS Code, which may have already been reviewed by Ed and Sarah; also attached is a copy of the Scientology case which found that the summons issued by the IRS to examine records was insufficient; that the Scientologists case raised sufficient doubt about the IRS's intent and harassment. IRS Code section 7605 deals with restrictions on examination of church records by IRS; USA v. Church of Scientology case is attached. As Bentzman explained, looking at the Code this way is only piecemeal and to get a real picture of the whole thing requires a lot of background research. You can tell Ed and Sarah that I tried to "shepardize" the Scientology case but could find nothing; that does not mean that there was nothing, there may well have been recent decisions but we were in a rush at Eric's and I didn't have time to get into it. We should ask Bentzman; he did hint that he will be writing up some opinion letters on this whole area of unrelated business income which will include the Scientology case.
5. Audit of the Ranch: attached is a copy of the letter received by the ranch. Bonnie tells us they have been given an extension til June '78 to produce information and records. She is now combing through all the old records we have been able to find and will be preparing recap sheets, etc. and compare to those already in existence. One of the problems that has come up was that Harold's and Tish's figures didn't jive for the 1977 income and disbursements; also, Bonnie can't understand why Tish's figures of income seem to be based on more patients than there were in actuality.
6. David Smith: The reason he gave us which he would not elaborate on on the radio which he says will keep him here 18 months is that he never filed his income taxes for 1972 through the present. However, we don't really believe that is the real reason, as he was looking for excuses after we (me and Sandy) explained that people can file their taxes in Guyana, there's no problem with that. He obviously wanted an out to remain here. He said that Tim Stoen had advised him in the past not to file his taxes because of his receipt over the years of increments on the property and estate to which he is an heir in Colorado along with 5 other relatives. After we put aside the tax reason, he said he wanted to get a job. We asked why he didn't want to see his children; he said they weren't his children, he'd given to the temple, and anyway at least 2 of them he doubted were his anyway. Looking in the tax files, I came across the application he apparently filed for extension of time to file IRS return in 1976, and his letter to

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his sister asking her for income amounts he received for 1972 through 1976 on the property. Also enclosed is W-2 for 1976. I don't know what will be the outcome of this situation; the night after he spoke on the radio, he testified, but said nothing specific, just said Jim was the doctor of all doctors, and that was it. My impression was that he was making a public display of "loyalty" so the people would think he was okay, but I would suspect this guy from the get go, of possibly being involved with Stoen in some way.

7. See Law Office Report #13, item #11 re Edwards house - would you please return via mail the Authorization I sent over to be signed by the Edwards. We have a potential buyer of the lot, and this thing is tied up with the insurance investigation. We need permission of the owners and the mortgage holders before the property can be demolished and sold. Attached is another Authorization in case the first one got misplaced.

*****pleasant 73's*****

sorry, there's more:

8. Letter from Kay Henderson re donations - see attached. This has already been discussed on the radio with Mildred. This is for your information and additional instructions, should there be any.
9. 1978 Church Exemption, due by March 31 for Meandocino County P.T. building - please have Ed review this and advise how to fill it out; is there any difference now that no church services are being held there? ALSO: in January, we sent over, not in a law office report but in reports sent over by Martha, the 1978 Church Exemption form for San Francisco county. The touchy thing about this one is that it asks specific questions re how many people living in the building. When we sent it over, we figured most people would be out of here and the building would be pretty vacant; but that is not the case and as apostolic apartments are closing down, people are moving into the church more. A rough count would say maybe 30 are living here now. How do we fill this out? It is also due March 31.

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Re Item 4, Law Office
Rept #22

15 3-30-37

Sec. 7605—TIME, PLACE OF EXAMINATION

86,715

motion was denied and a judgment for costs was entered against him.

L. D. Herbert, (DC) 73-1 ustrc ¶ 9333.

Tax-return preparer was found guilty of civil contempt for dispossessing himself of certain of his own work papers after he had been served with an IRS summons directing him to appear and produce such records. Consequently, he was directed to pay compensatory damages to the U. S. Government in the amount of its costs incurred in the proceedings to enforce the summons.

W. E. Edwards, (DC) 73-1 ustrc ¶ 9370, 325 TSupp 433.

Tax summons seeking information to determine civil tax liabilities judicially enforced.

J. Ring, (DC) 73-1 ustrc ¶ 9363.

.22 Remedies.—A summons enforcement proceeding is the sole remedy for contesting a summons. A taxpayer may not institute an action on a summons, such as a suit for monetary damage for deprivation of constitutional and statutory rights.

N. E. Farshaw, DC, 76-2 ustrc ¶ 9547.

.25 Restraint of enforcement.—Taxpayers lacked standing to restrain the enforcement of a summons issued to their bank.

H. Wemple, DC, 74-2 ustrc ¶ 9847.

The District Court properly dismissed the IRS's petition seeking to have the taxpayers produce certain documents and to testify, since the government's agent refused to submit to discovery.

Wright Motor Co., Inc., CA-5, 76-2 ustrc ¶ 9805, 535 F2d 1090.

¶ 5927]

TIME AND PLACE OF EXAMINATION

Sec. 7605 [1954 Code]. (a) TIME AND PLACE.—The time and place of examination pursuant to the provisions of section 6420(e)(2), 6421(f)(2), 6424(d)(2), 6427(f)(2), or 7602 shall be such time and place as may be fixed by the Secretary and as are reasonable under the circumstances. In the case of a summons under authority of paragraph (2) of section 7602, or under the corresponding authority of section 6420(e)(2), 6421(f)(2), 6424(d)(2), or 6427(f)(2), the date fixed for appearance before the Secretary shall not be less than 10 days from the date of the summons.

(b) RESTRICTIONS ON EXAMINATION OF TAXPAYER.—No taxpayer shall be subjected to unnecessary examination or investigations, and only one inspection of a taxpayer's books of account shall be made for each taxable year unless the taxpayer requests otherwise or unless the Secretary, after investigation, notifies the taxpayer in writing that an additional inspection is necessary.

(c) RESTRICTION ON EXAMINATION OF CHURCHES.—No examination of the books of account of a church or convention or association of churches shall be made to determine whether such organization may be engaged in the carrying on of an unrelated trade or business or may be otherwise engaged in activities which may be subject to tax under part III of subchapter F of chapter 1 of this title (sec. 511 and following, relating to taxation of business income of exempt organizations) unless the Secretary (such officer being no lower than a principal internal revenue officer for an internal revenue region) believes that such organization may be so engaged and so notifies the organization in advance of the examination. No examination of the religious activities of such an organization shall be made except to the extent necessary to determine whether such organization is a church or a convention or association of churches, and no examination of the books of account of such an organization shall be made other than to the extent necessary to determine the amount of tax imposed by this title.

.01 Amended by P. L. 94-455 (Deadwood Act), P. L. 94-530, P. L. 91-258, P. L. 91-172, P. L. 89-44, P. L. 627 (84th Cong.), and P. L. 466 (84th Cong.). For details, see the Code Volumes.

.15 Committee Reports on P. L. 91-172 are at 1969-3 CB 199, 423, 644.

.20 Committee Reports on P. L. 627 (84th Cong.) are at 1956-2 CB 1285, 1308, 1333.

.21 Committee Reports on P. L. 466 (84th Cong.) are at 1956-1 CB 983, 989, 995.

.22 Committee Reports on 1954 Code Sec. 7605 as originally enacted were reproduced at 564 CCH ¶ 5939.10.

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Code § 7605 ¶ 5927

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• Regulations

[§ 5927A] § 301.7605-1. Time and place of examination.—(a) *Time and place.* The time and place of examination pursuant to the provisions of section 6420(e)(2), 6421(f)(2), or 7602 shall be such time and place as may be fixed by an officer or employee of the Internal Revenue Service and as are reasonable under the circumstances. In the case of a summons under authority of section 7602(2) and of § 301.7602-1, or under the corresponding authority of section 6420(e)(2) or 6421(f)(2), the date fixed for appearance before an officer or employee of the Service, shall not be less than 10 days from the date of the summons.

(b) *Restrictions on examination of taxpayer.* No taxpayer shall be subjected to unnecessary examination or investigations, and only one inspection of a taxpayer's books of account shall be made for each taxable year unless the taxpayer requests otherwise or unless an authorized internal revenue officer, after investigation, notifies the taxpayer in writing that an additional inspection is necessary.

(c) *Restriction on examination of churches.*—(1) *In general.* This section imposes certain restrictions upon the examination of the books of account and religious activities of a church or convention or association of churches for the purpose of determining whether such organization may be engaged in activities the income from which is subject to tax under section 511 as unrelated business taxable income. The purposes of these restrictions are to protect such organizations from undue interference in their internal financial affairs through unnecessary examinations to determine the existence of unrelated business taxable income, and to limit the scope of examination for this purpose to matters directly relevant to a determination of the existence or amount of such income. This section also imposes additional restrictions upon other examinations of such organizations.

(2) *Books of account.* No examination of the books of account of an organization which claims to be a church or a convention or association of churches shall be made except after the giving of notice as provided in this subparagraph and except to the extent necessary (i) to determine the initial or continuing qualification of the organization under section 501(c)(3); (ii) to determine whether the organization qualifies as one, contributions to which are deductible under section 170, 545, 556, 642, 2055, 2106, or 2522; (iii) to obtain information for the purpose of ascertaining or verifying payments made by the organization to another person in determining the tax liability of the recipient, such as payments of salaries, wages, or other forms of compensation; or (iv) to determine the amount of tax, if any, imposed by the Code upon such organization. No examination of the books of account of a church or convention or association of churches shall be made unless the Regional Commissioner believes that such examination is necessary and so notifies the organization in writing at least 30 days in advance of examination. The Regional Commissioner will conclude that such examination is necessary only after reasonable attempts have been made to obtain information from the books of account by written request and the Regional Commissioner has determined that the information cannot be fully or satisfactorily obtained in that manner. In any examination of a church or convention or association of churches for the purpose of determining unrelated business income tax liability pursuant to such notice, no examination of the books of account of the organization shall be made except to the extent necessary to determine such liability.

(3) *Religious activities.* No examination of the religious activities of an organization which claims to be a church or convention or association of

churches shall be made except (i) to the extent necessary to determine the initial or continuing qualification of the organization under section 501(c)(3); (ii) to determine whether the organization qualifies as one, contributions to which are deductible under section 170, 545, 556, 642, 2055, 2106, or 2522; or (iii) to determine whether the organization is a church or convention or association of churches subject to the provisions of part III of subchapter F of chapter 1. The requirements of subparagraph (2) of this paragraph that the Regional Commissioner give notice prior to examination of the books of account of an organization do not apply to an examination of the religious activities of the organization for any purpose described in this subparagraph. Once it has been determined that the organization is a church or convention or association of churches, no further examination of its religious activities may be made in connection with determining its liability, if any, for unrelated business income tax.

(4) *Effective date.* The provisions of this paragraph shall apply to audits and examinations of taxable years beginning after December 31, 1969. [Reg. § 301.7605-1.]

.10 *Historical Comment:* Adopted 10/23/59 by T. D. 6421. Amended 10/24/60 by T. D. 6498 for clerical changes. Amended 10/26/71 by T. D. 7146 to reflect Sec. 121(f) of P. L. 91-172.

¶ 5928 Time and Place of Examination

• • CCH Explanation

.01 Code Sec. 7605 gives the Commissioner authority to fix such time and place for an examination as are reasonable under the circumstances. However, when appearance and production of books and records under summons are required, the date fixed for appearance cannot be less than 10 days after the issuance of the summons. See .10 below.

The taxpayer is not to be subjected to unnecessary examination or investigations. In practice, only one inspection of a taxpayer's books of account will be made for each taxable year unless the taxpayer requests otherwise, or unless the Commissioner notifies the taxpayer in writing that an additional inspection is necessary. On and after August 17, 1954 this provision applies to taxes imposed under either the 1939 or 1954 Code.

Churches and conventions or associations of churches are subject to the tax on unrelated business income after December 31, 1975 (see ¶ 3237.01). An Internal Revenue agent may examine the books of a church or convention or association of churches only if a Regional Commissioner (or higher tax official) has reason to believe that the church is carrying on an unrelated trade or business and, acting on this belief, notifies the organization in advance of examination.

Authority to examine the religious activities is limited to determining whether the organization is a church or association of churches. And authority to examine the books is limited to determining the amount of unrelated business income tax. Though effective for taxable years beginning after December 31, 1969, the examination restriction was not truly viable until after December 31, 1975.—CCH.

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[[5928.012]—Continued

Reference to a contract of sale in 1968 was not an additional inspection. The reference to taxpayers' 1968 transactions was to ascertain facts and figures relevant to the treatment of their 1970 income.

H. B. Doan, 33 TCM 813, Dec. 32,693(M), TC Memo 1974-190. *Acq.* per curiam, CA-9, 75-2 USTC ¶ 9661, 538 F.2d 552.

The mere reexamination of the taxpayer's return was not a second examination of books and records within the meaning of Code Sec. 7605(b) and, therefore, did not require written notice by the Commissioner.

E. O. Shonauer, 33 TCM 182, Dec. 32,462(M), TC Memo 1974-40.

Taxpayer, an officer and sole owner of a corporation, was directed to obey a summons to produce records of his corporation even though such records might ultimately be used to incriminate him. The sole owner of a corporation cannot assert his personal privilege against self-incrimination as a valid ground for refusing to produce his corporation's records. Further, the summons was not invalid because the reopening letter had not been issued prior to the issuance of the summons, since Code Sec. 7605 protects only the taxpayer's books, and the subject of the summons was the records of his corporation.

H. A. Bass, DC, 74-1 USTC ¶ 9386.

.014 Church organizations.—Authority to approve a request to examine books of account and religious activities of a church or a convention or association of churches is delegated to the Assistant Commissioner (Compliance) and to Regional Commissioners.

C. D. O. No. 137, issued and effective June 27, 1973, 38 F. R. 17852, 737 OCH ¶ 679.

An order enforcing a summons issued by the IRS and denying taxpayer's pre-enforcement discovery was reversed and remanded on appeal. The lower court should have held a limited evidentiary hearing because the taxpayer's allegations of bad faith harassment raised sufficient doubt about the Service's purposes to require the determination of whether further inquiry by way of discovery was warranted.

Church of Scientology of Calif.; Chuberton v., CA-9, 75-2 USTC ¶ 9584, 530 F.2d 818.

A church organization did not prove its contention that the administrative procedures of Code Sec. 7605(c) and of the regulations had not been complied with because there was no showing of a determination by the Regional Commissioner that the specific items requested in a summons were necessary.

Free-For-All Missionary Baptist Church, Inc., DC, 75-2 USTC ¶ 9828.

.015 Deficiency not void.—Deficiency resulting from an improper second examination of plaintiff's books, against which it protested, is not void.

¶ 5928.014 Reg. § 301.7605-1

Mangone Co., Inc. v. U. S., (Cl. Cls.) 1931 OCH ¶ 9690, 54 F. 2d 168.

Mangone case, above, distinguished, and deficiency assessment held void where taxpayer was totally unaware of the violation and thus had no opportunity to protest.

H. M. Reineman, (CA-7) 62-1 USTC ¶ 9386, 301 F. 2d 267.

A prohibited additional examination of books of account (such as occurred here) does not necessarily mean that the deficiency must be quashed. Here, the deficiency was primarily based upon information gleaned from sources other than personal records. Moreover, although the taxpayers had not consented to a second examination, they were aware that it was occurring when it took place and should have challenged it then.

P. E. Moloney, CA-8, 75-2 USTC ¶ 9608, 521 F.2d 491. Cert. denied, 423 US 1017.

.016 The court, on appeal, refused to consider the question of the validity of such assessment where the issue was not raised in the Board proceeding.

Glassell v. Com., (CA-5) 1930 OCH ¶ 8503, 42 F. 2d 633.

The failure of the IRS to notify the taxpayer of its intention to re-examine the taxpayer's records for a taxable year which had already been audited did not nullify an assessment of over \$330,000 based on the re-examination for that year.

Field Enterprises, Inc., (Cl. Cls.) 65-2 USTC ¶ 9551, 345 F. 2d 455.

Following the examination of the books and records of taxpayer's transferor, proposed adjustments with respect to the years 1954-1956 were settled administratively. Thereafter, the Commissioner, without proper notice in writing, requested permission to re-examine the same books and records, which was refused. Following this, the Commissioner, without the aid of the books and records, proposed additional adjustments for the same years which became the basis for a formal notice of deficiency, the validity of which was denied. It was held that since the Commissioner did not, in fact, re-examine the books and records in question, the failure to give a written notice of intention to do so did not affect the validity of the deficiency notice and the burden of proof, therefore, rested upon the taxpayer.

United States Holding Co., 44 TC 323, Dec. 27,423.

M. H. Hall, (CA-5) 69-1 USTC ¶ 19207, 406 F. 2d 706.

.018 Inadequate records.—The examination restrictions were not violated where, in addition to examination of check stubs and notations thereon, the revenue agent asked for bank statements, checks, and/or receipted bills for the purpose of determining gross income and verifying claimed deductions.

Betty Marx, 13 TC 1069, Dec. 17,408 (Acq.).

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16. Internal Revenue § 1456

Since church's allegations of bad faith harassment by Internal Revenue Service, though thin, raised doubt as to Service's purposes, district court should have held a limited evidentiary hearing to determine whether further inquiry into the Service's purposes by way of discovery was warranted; although such a hearing would entail cross-examination of the summoning agent, permissible scope of the hearing was for the district court's discretion. 26 U.S.C.A. (I.R.C. 1954) § 7602; Fed.Rules Civ.Proc. rule 81(a)(3), 28 U.S.C.A.

17. Internal Revenue § 1456

Although summoinee attempted discovery only by way of taking deposition and request for internal revenue service documents, summoinee did not waive its right to evidentiary hearing to determine whether further inquiry into Service's purposes by way of discovery was warranted where summoinee twice called district court's attention to case law providing for such a hearing in an enforcement proceeding. 26 U.S.C.A. (I.R.C.1954) § 7602.

James Q. Fisher (argued), Encino, Cal., for respondents-appellants.

Alfred S. Lombardi, Atty. (argued), Tax Div., U. S. Dept. of Justice, Washington, D. C., for petitioners-appellees.

OPINION

Before DUNIWAY and ELY, Circuit Judges, and JAMESON,* District Judge.

DUNIWAY, Circuit Judge:

The Church of Scientology of California appeals from the district court's order enforcing a summons issued by an Internal Revenue Service agent under § 7602 of the Internal Revenue Code of 1954, 26 U.S.C. § 7602, and denying the Church's request for pre-enforcement discovery. We reverse and remand for further proceedings.

I. Facts.

On February 8, 1973, agent Cluerton of the Service's Audit Division issued a summons to Henning Heldt, then vice president of the Church of Scientology of California, requiring Heldt to appear on February 20, 1973, to testify and to produce for examination certain records of the Church bearing on its federal income tax liability for 1968 and 1969. Heldt appeared at the appointed time, apparently willing to testify, but without the required records. Heldt said that he was no longer an officer of the Church and that he had neither control nor possession of the records because he had resigned as director and vice president of the Church four days earlier, on February 16, 1973. The agent noted Heldt's appearance but did not examine him. In the course of two years of negotiation preceding the issuance of the summons, Heldt had consistently held himself out to the agent as the representative of the Church in charge of its books and records, and never stated that he was contemplating resigning.

On September 5, 1973, the Service petitioned the district court to enforce the summons against Heldt and the Church under 26 U.S.C. §§ 7402(b) and 7604(a), both of which somewhat redundantly gave the district courts jurisdiction "by appropriate process" to compel compliance with such summonses. The district court issued an order requiring Heldt and the Church to show cause why they should not be required to comply with the summons.

Heldt and the Church then filed a notice of taking depositions of agent Cluerton and two other Service officials and a demand for the production of Service files relating to the Church. The Service moved to quash this discovery. Then Heldt and the Church responded to the order to show cause by alleging, *inter alia*, that the Service had issued the summons for the bad faith purpose of harassing the Church. More specifically, the Church asserted that the instant

* The Honorable William J. Jameson, Senior United States District Judge for the District of Montana, sitting by designation.

agent Cluberton Division issued a Heldt, then vice h of Scientology Heldt to appear to testify and to a certain records on its federal in 1968 and 1969, appointed time, stify, but without heldt said that he r of the Church control nor pos- because he had vice president of arlier, on Febru- nt noted Heldt's examine him. In s of negotiations of the summons, held himself out esentative of the its books and ed that he was

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then filed a no- ns of agent Clu- Service officials ie production of the Church. The h this discovery. arch responded to e by alleging, in- se had issued the faith purpose of More specifically, that the instant : for the District of

summons was part of a concerted nation- wide Service strategy to harass various churches of Scientology, which are in the Church's words "doctrinal cousins" but separate entities. According to the Church, the Service has followed a pat- tern of initiating investigations and ad- ministrative and judicial proceedings, but nonetheless resisting definitive determi- nation of the tax exempt status of those churches—all, the Church alleges, for the purpose of applying pressure to the churches to settle the issue of their claimed tax exemptions and of eliminat- ing Scientology organizations. The Church sought to take the depositions of Service officials to attempt to uncover evidence to support these allegations.

The district judge held a hearing on the order to show cause and on the Ser- vice's motion to quash discovery, listening to oral argument by counsel, but without the presentation of testimony or other evidence other than affidavits already on file. Concluding that the "allegation of harassment is not supported by the record," the judge entered orders (1) quashing the notice of taking of deposi- tions and (2) enforcing the summons against the Church. At the request of the Church, the judge stayed enforce- ment of the summons pending appeal, on the condition that the Church deposit with the court all of the books and records sought by the summons. The Church did so, filling 23 trunks with records, and brought this appeal.

[I] We have jurisdiction under 28 U.S.C. § 1291. *Reisman v. Caplin*, 1964, 375 U.S. 440, 449, 84 S.Ct. 508, 11 L.Ed.2d 459; *D. I. Operating Co. v. United States*, 9 Cir., 1963, 321 F.2d 586.

II. Summons Enforcement Proceed- ings in General.

We begin with a review of a few ba- sic, settled principles.

[2-4] An internal revenue summons is "administratively issued but its en- forcement is only by federal court au- thority in 'an adversary proceeding' af- fording the opportunity for challenge and 'complete protection to the

witness.'" *Donaldson v. United States*, 1971, 400 U.S. 517, 525, 91 S.Ct. 534, 539, 27 L.Ed.2d 580; *Reisman v. Caplin*, 1964, 375 U.S. 440, 446, 84 S.Ct. 508, 11 L.Ed.2d 459. The Federal Rules of Civil Procedure apply to a summons proceed- ing. Fed.R.Civ.P. 81(a)(3); *United States v. Powell*, 1964, 379 U.S. 48, 58, n. 18, 85 S.Ct. 248, 13 L.Ed.2d 112; *Martin v. Chandis Securities Co.*, 9 Cir., 1942, 128 F.2d 731, 734. But the Civil Rules are not inflexible; a district court may limit their application in a proceeding to enforce a summons which is intended to be a summary proceeding, so long as the rights of the party summoned are pro- tected and an adversary hearing, if re- quested, is made available. *Donaldson*, *supra*, 400 U.S. at 523-29, 91 S.Ct. 534.

[5] The Internal Revenue Service need not meet any standard of probable cause to obtain enforcement of its sum- mons; it must show only (1) that the investigation will be conducted pursuant to a legitimate purpose; (2) that the in- quiry may be relevant to the purpose; (3) that the information sought is not already within the Service's possession; and (4) that the administrative steps re- quired by the Internal Revenue Code have been followed. *United States v. Powell*, *supra*, 379 U.S. at 57-58, 85 S.Ct. 248.

However, as the Court explained in *Powell*, 379 U.S. at 58, 85 S.Ct. at 255 (footnotes omitted):

This does not make meaningless the adversary hearing to which the tax- payer is entitled before enforcement is ordered. At the hearing he "may challenge the summons on any appro- priate ground," *Reisman v. Caplin*, 375 U.S. 440, at 449, 84 S.Ct. [508], at 518 [11 L.Ed.2d 459]. Nor does our read- ing of the statutes mean that under no circumstances may the court inquire into the underlying reasons for the ex- amination. It is the court's process which is invoked to enforce the admin- istrative summons and a court may not permit its process to be abused. Such an abuse would take place if the summons had been issued for an im-

proper purpose, such as to harass the taxpayer or to put pressure on him to settle a collateral dispute, or for any other purpose reflecting on the good faith of the particular investigation. The burden of showing an abuse of the court's process is on the taxpayer, and it is not met by a mere showing, as was made in this case, that the statute of limitations for ordinary deficiencies has run or that the records in question have already been once examined.

These principles were reaffirmed by the Court in *Donaldson v. United States*, 1971, 400 U.S. 517, 526-27, 91 S.Ct. 534, 27 L.Ed.2d 580, and more recently in *United States v. Bisceglia*, 1975, 420 U.S. 141, 146, 95 S.Ct. 915, 43 L.Ed.2d 88.

III. The Alleged Abuse of Process.

The four criteria for enforcement set out in *Powell* were satisfied in this case. The principal question on appeal is whether the district court erred in enforcing the summons without allowing discovery and without taking evidence on the alleged abuse of the court's process. We conclude that the court should have held a limited pre-enforcement evidentiary hearing.

A. The Allegation of Bad Faith IRS Harassment.

We first consider the Church's allegations and the support for them that appears in the record.

Attached to the Church's memorandum in opposition to enforcement of the summons is a "Summary of Administrative and Judicial Proceedings Involving the Church of Scientology and its Parishioners," which the Church says reveals a pattern of bad faith IRS harassment. This summary lists eleven proceedings involving various churches of Scientology. With respect to the California Church, the summary states that the Service retroactively revoked the tax exempt status of the California Church in 1968 and that questions of the Church's tax liability for 1964 through 1967 were pending at the appellate conference level

when the summons was issued. Also appended to the memorandum are the affidavit of Heldt and certain correspondence between the Church and Service officials in which the Church asked the Service, and the Service refused, to defer the examination for 1968 and 1969 while examinations for earlier years were pending.

[6,7] The pendency of proposed assessments for the earlier years, however, does not in itself indicate bad faith on the part of the Service. Under § 501(c)(3) of the Code, determination of tax exempt status for a given year depends upon the financial operation of the Church for that year. See *Church of Scientology of Hawaii v. United States*, 9 Cir., 1973, 485 F.2d 313, 319 (Keech, J., dissenting). Moreover, the gross receipts of the California Church for 1965 and 1969 were markedly higher than those for 1964 through 1967. It was not unreasonable for the Service to investigate the different periods separately but simultaneously.

The Church also cites our *Church of Scientology of Hawaii* case, *supra*, and another case now pending on appeal to this court, *Handeland v. Commissioner*, 519 F.2d 327, as evidence of an alleged bad faith "harass and moot" strategy in which the Service repeatedly imposed assessments on churches of Scientology but stops short of litigating the merits of the churches' tax exempt status by refunding the taxes paid or conceding non-liability. In the *Church of Hawaii* case, we held that the taxpayer's suit for a refund was not mooted by the Service's tender of the taxes paid. *Handeland* involves an action in the Tax Court by ministers of the Church of Scientology of Minnesota in which the government admitted error and the Tax Court entered a judgment without opinion for the ministers. The propriety of this mooting tactic is not now before us. If this mooting tactic is improper, the Church will have its remedy, as did in the *Church of Hawaii* case.

For present purposes, we conclude that the Service's litigative strategy

sued. Also apparent are the affidavits and correspondence and Service which asked the Church to defer and 1969 while years were

proposed assessments, however, bad faith on vice. Under termination of seven year debarment of the Church of United States, 319 (Koelsch, the gross revenue for 1968 higher than 1967. It was not to be investigated separately but

the Church of United States, supra, and on appeal to Commissioner of an alleged "strategy" imposed on Scientology. The merits of the status by conceding of Hawaii payer's suit by the taxes paid in the Tax Court of which the Tax Court without propriety now before the court, as it case. include only strategy in

those cases does not sufficiently evince bad faith to require us or the district court to deny enforcement of the summons. It may be that the Service has capitulated in certain cases because small amounts were in issue or because it has insufficient evidence to sustain its case. We see no reason to bar it from gathering the evidence it deems necessary in this case. We note in passing that the Service has litigated to finality and won a case involving the tax exempt status of a Scientology church in *Founding Church of Scientology v. United States*, 1969, 412 F.2d 1197, 188 Ct.Cl. 490, cert. denied, 397 U.S. 1009, 90 S.Ct. 1237, 25 L.Ed.2d 422, where the court held that the Church failed to prove that no part of the corporation's net earnings inured to the benefit of private individuals. See 26 U.S.C. § 501(c)(3).

As evidence of purportedly improper Service motives, the Church also relies on a Service "Manual Supplement" dated September 2, 1970. Its stated purpose, as we observed in *Church of Scientology of Hawaii*, supra, 485 F.2d at 317, is to identify "Church of Scientology type religious organizations" and to provide guidelines for examining returns and processing applications. However, we see no reflection of a nefarious purpose on the face of this document.

The manual supplement is based on the opinion of the Court of Claims in *Founding Church of Scientology v. United States*, supra. The court discussed both the tenets and the structure of Scientology organizations. After pointing out that the Founding Church tithed 10 percent of its gross income to founder Ron Hubbard, the court observed, 412 F.2d at 1199:

Other Scientology congregations, franchises, and organizations also paid Hubbard a portion of their gross income, usually 10 percent.

The Court of Claims explained, 412 F.2d at 1201:

For purposes of deciding this case, we do not consider the income accruing to Hubbard from the affiliated congregations and organizations as

coming from plaintiff. However, under the circumstances here, the fact that Hubbard had income from such closely related sources indicates that Hubbard's compensation from plaintiff was not for full-time service. During the years in issue these other percentages, fees, and commissions, so far as the record shows, were apparently received or receivable by Hubbard for his personal use. Such an arrangement suggests a franchise network for private profit and, in turn, casts doubt upon the propriety of the payments by plaintiff to Hubbard and the members of his family. The fact that Hubbard was the recipient of income from plaintiff in the form of royalties and commissions likewise occasions an inference of personal gain.

Given the evidence in that case and the conclusions of the Court of Claims, it was entirely reasonable for the Service, using the characteristics sketched by that court, to identify Scientology organizations and to establish a uniform policy and procedure for examining them. In fact, we might suspect an improper external influence if, under the circumstances, the Service did not give such organizations careful scrutiny.

[8] In short, we agree with the district court that the allegations of harassment and improper purposes were not supported by the record and standing alone did not require the court to deny enforcement. However, our inquiry does not end here, for it may be that the Church's allegations have more substance than meets the eye. See, e.g., *Center on Corporate Responsibility, Inc. v. Schultz*, D.D.C., 1973, 368 F.Supp. 863 (evidence of White House use of IRS administrative actions against certain "activist" organizations whose views were offensive to the White House).

B. Denial of Discovery and Evidentiary Hearing.

The Church contends that it was entitled to discovery under Fed.R.Civ.P. 80 and 34 or, failing that, an evidentiary hearing to inquire into the motives of the Service in issuing the summons.

[9-12] Under Fed.R.Civ.P. 81(a)(3) the district court has considerable discretion to restrict or deny discovery. See *United States v. Bell*, 9 Cir., 1971, 448 F.2d 40, 42; *United States v. Rugeiro*, 9 Cir., 1970, 425 F.2d 1069, 1071; *United States v. Ahmanson*, 9 Cir., 1969, 415 F.2d 785, 787. In contrast to the procedure in ordinary civil cases, discovery in a summary summons enforcement proceeding is the exception rather than the rule. The party resisting enforcement should be required to do more than allege an improper purpose before discovery is granted. *United States v. National State Bank*, 7 Cir., 1972, 454 F.2d 1249, 1252; *United States v. Salter*, 1 Cir., 1970, 432 F.2d 697, 700. Conclusory allegations carefully tailored to the language of *Powell*, *supra*, that the Service has issued a summons for an improper purpose, such as to harass the taxpayer or to put pressure on him to settle a collateral dispute, are easily made. See *Garrett v. United States*, 9 Cir., 1975, 511 F.2d 1037.

Allowing the Church to take depositions of the examining IRS agent and his superiors and to inspect internal IRS records and memoranda on the basis of such conclusory allegations would place undue burdens on the Service and impede what is supposed to be a summary enforcement procedure. Accordingly, we reject the Church's argument that it was entitled to pre-enforcement discovery.

[13-16] Nonetheless, because, as we have seen, the Church or any other sum-monee bears the burden of proving bad faith harassment or other abuse, we think that the sum-monee must be afforded at least some opportunity to substantiate its allegations.

The Church argues that, failing to grant its request for discovery, the district court should at least have held an evidentiary hearing to inquire further into the motives of the Service in issuing the summons. As the Church points out, that was the approach adopted by the First Circuit in *United States v. Salter*, 1 Cir., 1970, 432 F.2d 697, where the sum-monee also alleged an improper Service

purpose in issuing a summons. There the court said (at 700):

We agree with the government, however, that respondent should be required to do more than allege an improper purpose before discovery is ordered in a proceeding of this type. Some evidence supporting respondent's allegations should be introduced. We approve of the following suggestion, offered by the government:

"The general solution would probably be for the district court to proceed directly to a hearing at which, if desired, the sum-monee could examine the agent who issued the summons, concerning his purpose. The court could then, by observation and, where necessary, its own questioning of the agent, make its own determination of whether exploration, as by discovery, seemed to be in order."

If, at the end of the hearing, there remains a substantial question in the court's mind regarding the validity of the government's purpose, it may then grant discovery.

The Third Circuit has recently adopted a similar procedure in *United States v. McCarthy*, 3 Cir., 1975, 514 F.2d 368. We agree with the First and Third Circuits that this solution would accommodate the needs of efficient tax administration and at the same time provide a reasonable opportunity for the sum-monee to carry the burden imposed by *Powell*, *supra*, of showing an abuse of the court's process.

In approving the procedure suggested by the First Circuit, we also endorse that court's limiting rationale that the purpose of the evidentiary hearing is to sift out those rare cases where bald allegations of harassment or improper purpose can be substantiated and thereby to avoid dilatory and burdensome discovery procedures. As the First Circuit said in *Salter*, *supra*, 432 F.2d at 700-01 (foot-note omitted):

We believe that there are strong reasons of public policy for placing ..

lack of proof on respondent before allowing discovery in an enforcement proceeding of this type. A broad discovery order puts the Internal Revenue Service under a severe handicap in conducting a civil investigation. Broad discovery can be expected to cause extensive delays and to jeopardize the integrity and effectiveness of the entire investigation. Coupled with these considerations is the fact that taxpayers have been almost uniformly unsuccessful in proving an "improper purpose" defense. Requiring an evidentiary hearing will not preclude a respondent from raising and proving a [sic] "improper purpose," and we of course have no intention of precluding him from doing so. But we feel that the hearing requirement will have the salutary effect of eliminating discovery in cases in which it is clear that respondent will not be able to prove his allegations.

Applying these principles to the case at hand, we conclude that the Church's allegations of bad faith harassment by the Service, though thin, raised sufficient doubt about the Service's purposes to require the district court to hold a limited evidentiary hearing to determine whether further inquiry into the Service's purposes by way of discovery is warranted. Although we anticipate that such a hearing would entail, for example, cross-examination of the summoning agent (*Cf. Wild v. United States*, 9 Cir., 1966, 362 F.2d 206, 208-09), we do not attempt to define precisely the permissible scope of the evidentiary hearing. We leave that to the discretion of the district court.

[17] In the proceedings below, the Church attempted discovery only by way of taking depositions and requests for IRS documents. Apparently counsel for the Church mistakenly believed that it had a right to discovery before the presentation of any evidence in the summons enforcement proceeding. Thus it is arguable that the Church waived any argument that it was entitled to a pre-discovery evidentiary hearing. However,

we agree with the Third Circuit, *McCarthy*, *supra*, 514 F.2d at 368 n. 11, that to hold under these circumstances that the Church failed to ask the court for the proper sequence of procedures would be unduly harsh. Moreover, in reviewing the record, we note that the Church twice called the district court's attention to the *Salter* case and the procedure there recommended. Accordingly, we conclude that the Church did not waive its right to an evidentiary hearing.

IV. Conclusion.

In view of our conclusion that the district court should have granted the Church a limited evidentiary hearing to inquire into the Service's purposes, we do not reach the Church's other arguments for reversal.

Reversed and remanded for further proceedings.



William E. SHEEHAN, by his father, Henry Sheehan, as next friend, Individually on behalf of himself and on behalf of a class of persons similarly situated but too numerous and too transitory to mention, Plaintiffs-Appellants,

v.

William J. SCOTT, Attorney General of Illinois, et al., Defendants-Appellees.

No. 74-1281.

United States Court of Appeals,
Seventh Circuit.

Argued Jan. 17, 1975.

Decided July 22, 1975.

Plaintiff, who had been absent from school 14 days during two months, and who had been required to meet with probation officer who inquired into his family life and personal makeup, sued chal-

STATE OF CALIFORNIA

FRANCHISE TAX BOARD

447 COLLEGE AVENUE
SANTA ROSA, CALIFORNIA 95403

February 16, 1978

Item 5, Law Office
Rept #22



1974 & 1975

Income Years

- ☐ Personal Income Tax
☐ Bank and Corporation Tax

Richard and Claire Janaro
2451 Road K
Redwood Valley, CA 95470

Your California income tax return(s) for the year(s) indicated above has been assigned to this office for audit. It is our desire to complete a review of your records as soon as practicable with the least inconvenience to you.

To aid us in scheduling audit appointments, please fill in the information requested on the reverse side and return one copy of this letter in the enclosed business reply envelope.

The audit will include, but will not be limited to:

- ☐ Books of original entry (e.g. general journals, receipts and disbursements journal).
☐ Summary ledgers (e.g. general ledgers, subsidiary ledgers).
☐ Canceled checks or receipts to substantiate _____
☐ Partnership agreement.
☐ Profit sharing plan.
☐ Bank statements.
☐ Corporation minutes.
☒ Source documents to support
1. Contributions
2. Income averaging - copy of 540's 1971, 72, 73, 74
3. Medical
4. Dependents - Please complete the enclosed dependent forms and mail together with copy of this letter in the enclosed self-addressed envelope.

Failure to have the above checked items available at the designated audit location may result in adjustments based on the information available at the time of the audit.

Harry Richey
Tax Auditor
Santa Rosa District
Telephone (707) 544-0574

FTB 4812-79 (3-75)

B-4-a (6)

QUESTIONNAIRE TO ASSIST IN THE SCHEDULING OF FRANCHISE TAX AUDITS

Subject: ☐ CALIFORNIA PERSONAL INCOME TAX
☐ CALIFORNIA FRANCHISE TAX

1. Address where records can be examined:

2. Individual to contact for appointment to examine records:

Name:

Telephone:

3. If federal statute of limitations has been extended for subject year(s) or any prior year, indicate year and extended statute date.

Year	Extended Statute Date	Year	Extended Statute Date	Year	Extended Statute Date

4. Has IRS audited your returns for any subject year or prior year?

☐ No ☐ Yes

If yes, send original or copy of Revenue Agent's Report. Original will be returned. This may make our independent examination unnecessary.

5. Is IRS now examining or planning to examine your returns?

☐ No. ☐ Yes (state Years)

6. Corporate taxpayers only - List name(s) of all corporate affiliates (parent or subsidiary) and percent of ownership. Show corporate numbers for those that file California returns.

Taxpayer's signature:

Date:



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Sacramento, California 95867

Information to Support Exemption Claimed for
Dependent on CALIFORNIA Income Tax Return

For Calendar Year or Fiscal Year Begun		, 19		and Ended		, 19	
FIRST NAME(S) AND INITIAL(S)		LAST NAME		Your social security number		Spouse's social security number	
PRESENT HOME ADDRESS (Number and street, or rural route)							
CITY, TOWN OR POST OFFICE		STATE		COUNTY		ZIP CODE	

Indicate your marital status on last day of the year.

1. ☐ Single 2. ☐ Married, filed joint return

3. ☐ Married, filed separate return—If this item checked, enter spouse's social security number in space above and enter first name here

4. ☐ Married individuals living apart claiming "head of household" and unmarried "head of household"—Complete page 2

5. ☐ Widower with dependent child—enter year of death of husband (wife) 19. Limited to two years following the death of spouse, if spouse died in 1972 or later.

ANSWER ALL THE FOLLOWING QUESTIONS IN REGARD TO EACH PERSON CLAIMED AS
A DEPENDENT. IF HEAD OF HOUSEHOLD IS CLAIMED, ALSO ANSWER ALL QUESTIONS
ON REVERSE SIDE OF THIS FORM.

1. Name of dependent(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Citizen of United States?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Relationship (if not closely related by blood, explain)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Age	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. If 19 or over, was dependent(s) a full-time student?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. How many months did dependent live with you?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. If dependent did not live with you for the entire year, state the name, address and relationship of person with whom dependent was living	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. If dependent is married, did he/she file a joint return with spouse?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Total amount necessary to maintain dependent for the year. Explain fully any unusual expenses, such as medical, etc., on reverse side	\$	\$	\$	\$
10. Total amount contributed by you for the year	\$	\$	\$	\$
11. Amount(s) you can substantiate by:				
Checks	\$	\$	\$	\$
Receipts	\$	\$	\$	\$
Other (explain or reverse)	\$	\$	\$	\$
12. Amount(s) contributed by others to support of dependent (Enter their names and addresses on reverse side)	\$	\$	\$	\$
13. Total income of dependent(s): wages, rent, dividends, etc. Itemize type of income and amounts on reverse side	\$	\$	\$	\$
14. Welfare assistance, social security and veteran benefit payments received by dependent(s)	\$	\$	\$	\$
15. If dependency status changed during the year, give dates and nature of change	\$	\$	\$	\$

If you decide you are not entitled to claim an exemption for the dependent(s), please complete the withdrawal statement below.

WITHDRAWAL STATEMENT

I no longer believe I am entitled to claim an exemption for _____ and I withdraw my claim to this exemption. Please make the necessary adjustments to my income tax return for the year shown above.

Signature

Date

Signature

Date

I declare under penalties of perjury that the above statements are true and correct to the best of my knowledge and belief.

Signed

B-4-a (7)

Date

HEAD OF HOUSEHOLD

ANSWER THE FOLLOWING QUESTIONS IF HEAD OF HOUSEHOLD IS CLAIMED (See requirements below)

☐ Never married ☐ Final divorce/dissolution Date _____ ☐ Married individuals living apart Date _____
☐ Widow(er) Date _____ ☐ Legal separation (interlocutory decree does not qualify) Date _____
 Individual who qualified you as head of household:
 Name _____ Relationship _____ Age _____ Gross income \$ _____
 Is this person married? _____ If yes, did he or she file a joint return with spouse? _____ Did this person qualify as your dependent
 for the taxable year? _____ Did this person reside in your home for the entire taxable year? _____ If not, explain circumstances:

 Total amount necessary to maintain household \$ _____ How much did you contribute? \$ _____

 Amount contributed by others—from 12, page 1 (list below names, addresses and amounts for each)

Amount contributed by others—Item 12, page 1 (list below names, addresses and amounts for each)

	\$
	\$
	\$
	\$
	\$

Explanation of Questions 9, 11 and 13 on page 1 (Attach additional sheet(s) if necessary)

[illegible]

REQUIREMENTS

Head of Household—A head of household is an individual who, on the last day of the taxable year, was single or legally separated from his spouse under a decree of separate maintenance, and who provided over one-half of the cost of maintaining a household occupied during the entire year, except for temporary absences, by:

- (a) yourself and your qualified dependent (other than a dependent qualifying under a multiple support agreement);
- (b) yourself and your unmarried child, grandchild, foster child or stepchild, even though such child is not a dependent; or
- (c) your father or mother who is a qualified dependent of the individual.

Cost of maintaining the home includes such items as rent, property insurance, property taxes, mortgage interest, repairs, utilities and cost of food. It does not include an individual's personal expenses, or any amount which represents value of services rendered by a member of the household or the taxpayer.

NOTE: No dependency credit is allowed for the dependent qualifying you as head of household.

-OR-

Married Individuals Living Apart—You can file as head of household if you meet the following tests:

- (a) You file a separate return.
- (b) You paid more than half the cost to keep up your home for the taxable year.
- (c) Your spouse did not live in your home at any time during the taxable year.
- (d) Your dependent child or stepchild lived in your home during the entire year.

Form **4868**
Department of the Treasury
Internal Revenue Service

**Application for Automatic Extension of Time
to File U.S. Individual Income Tax Return**

1976

Item # 6, Law Office Report # 22

NOTE: Prepare this form in duplicate. File the original with the Internal Revenue Service Center where you are required to file your income tax return and pay the amount shown on line 6 below. Attach the duplicate to the face of your Form 1040. This is not an extension of time for payment of tax. The law imposes a penalty for late payment of tax unless you show reasonable cause for failure to pay when due. (See Instruction F.)

Name (If joint return, give first names and initials of both) DAVID E. V. & GLADYS S. MITCHELL	Your social security number 522 32 8452
Present home address (Number and street, including apartment number, or rural route) 96 EDGEMOND CHAIKINSON, P.O. Box 15156	Spouse's social security number 522 70 5953
City, town or post office, State and ZIP Code SAN FRANCISCO, CA 94115	

An automatic 2-month extension of time until June 15, 1977, is hereby requested in which to file Form 1040 for the calendar year 1976 (or if a fiscal year return until _____ 1976) for the taxable year beginning 1976, and ending _____ 1977.

1 Total tax you expect to owe for 1976 (See instruction C) <i>I do not know</i>	
2 Federal income tax withheld <i>none</i>	
3 1976 Estimated tax payments (include 1975 overpayment allowed as a credit)	
4 Other payments (See instruction C)	
5 Total (add lines 2, 3, and 4)	
6 BALANCE DUE (subtract line 5 from line 1). Pay in full with this application	

Signature and Verification

If Prepared by Taxpayer. Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein are true and correct.

David E. V. Mitchell *April 15, 1977*
Taxpayer's signature Date

Gladys Mitchell *4-15-77*
Spouse's signature (if filing jointly, BOTH must sign even if only one has income) Date

If Prepared by Someone Other Than Taxpayer. Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein are true and correct, that I am authorized by the taxpayer to prepare this application, and that I am:

- ☐ A member in good standing of the bar of the highest court of (specify jurisdiction)
- ☐ A certified public accountant duly qualified to practice in (specify jurisdiction)
- ☐ A person enrolled to practice before the Internal Revenue Service
- ☐ A duly authorized agent holding a power of attorney with respect to filing an extension of time. (The power of attorney need not be submitted unless requested.)
- ☐ A person standing in close personal or business relationship to the taxpayer who is unable to sign this application because of illness, absence, or other good cause. My relationship to the taxpayer and the reasons why the taxpayer is unable to sign this application are _____

Signature of preparer other than taxpayer _____ Date _____

See Instructions on reverse

U.S. ARMY CORPS OF ENGINEERS
1160 LAKE MENDOCINO DR
UKIAH, CA 95492
*B-4 * (P)*

U.S. ARMY, CORPS OF ENGINEERS CENTRAL PAYROLL OFFICE POB 1439 DT STA OMAHA NB 68101 DEPT. OF ARMY 47-0382380				Wage and Tax Statement 19 <input type="checkbox"/> CORRECTED <input type="checkbox"/> DUPLICATE COPY B To be filed with employee's FEDERAL tax return		L3A 38N4 76
Type or print EMPLOYER'S Federal identifying number, name, address and ZIP code above.						
FEDERAL INCOME TAX INFORMATION		SOCIAL SECURITY INFORMATION		AS REQUIRED INFORMATION		
Federal income tax withheld	Wages, tips and other compensation	FICA employee tax withheld	Total FICA wages			
32.90	3119.46	382.80	3119.46			
EMPLOYEE'S social security number ▶ 522-32-8452				STATE OR LOCAL INCOME TAX INFORMATION		
DAVID E. SMITH 1706 LOCKWOOD DR UKIAH CAL 95462		Name	Tax withheld	Wages paid	Employer's identifying number	
		CAL	9.59	3119.46	80503089	
Type or print EMPLOYEE'S name, address and ZIP code above.				Social security (FICA) rate of 05.85% includes 00.90% for Hospital Insurance Benefits and 04.95% for old-age survivors, and disability insurance.		
				This information is being furnished to the Internal Revenue Service appropriate State officials and other authorized tax officials.		
Form W-2 (Magnetic Tape Reporting)		DA MILITARY/CIVILIAN - 6 PART		Department of the Treasury—Internal Revenue Serv		

B-4-a (9)

Sept. 18, 1977
C/O P. O. Box 15156//
San Francisco, CA 94115H

Bernice Dobson
80 W. Repplier Rd.
Banning, CA 92220

Hi Bernice,

Things are cool here.

How is it there?

My typing is very rusty, so please overlook the errors.

I have a very good accountant whom I have known for five years who will help me with my income tax returns.

As you know, I moved from Ukiah too L. A. and then to S. F., so I think I've lost some of the information or forms you sent too me to go with my income tax returns.

Did you send me an I R S form Schedule K-1 for the "1972" ~~1972~~ income of \$23,438.95, or did you send me another I R S form?

If you can, please tell me the amounts I received from W. 44th Ave. Farm in ~~1971~~ 1972, 1973, 1974, 1975 and 1976, so I can file my income tax returns.

Gladys and the children are all very happy and they say "Hi".

Please note the new post office box number. Thank you.

Please send the requested information to me as ~~follows~~ follows:

Mr. David E. V. Smith, B-1650
C/O Eugene Chalkin
~~XXXXXXX~~
P. O. Box 15156
San Francisco, CA 94115

I will close now trusting all is well with you.

Sincerely,

Eb (David E. V. Smith)

*Maria,
Please file attached copy
in my income tax file & home,
David*

B-4-a (10)

AUTHORIZATION

We hereby authorize Hartford Fire Insurance Company, its agents and representatives, to permit demolition of the existing building structure at 1752 McKinnon Street, San Francisco, California, which remains after the fire of August 8, 1977, and removal of debris from the property.

Dated: _____

James Edwards

Irene Edwards

Witness: _____

B-4 a (11)

Item # 8

February 16, 1978

Charles R. Garry
Attorney at Law
1256 Market Street
San Francisco, Ca. 94102

Dear Mr. Garry:

Per our telephone conversation on December 18, 1977. If you recall, Ms. Jane Mutchmann of People's Temple Church referred me to you as the church counselor. I have made several attempts to resolve this matter by other means, unfortunately it is necessary for me to get conformation from the church.

I started attending meetings at the People's Temple Church in 1970, at which time generous contributions were given. When I, way generous, I am only making reference to my income level. In 1972 I started pay "commitment" in the sum of One Hundred-Fifty Dollars (\$150.00) per month. This amount of course was in addition to special pledges, and regular meeting contributions. Beginning 1973 through 1974, I paid the "commitment" sum of Two Hundred-Ten Dollars (\$210.00) per month. Beginning 1975 the entire congregation was requested to pay commitments in cash. We followed these instructions without question, and not thinking about the consequences of Income Taxes and/or audits. Later in 1975, I became a part of the communal living structure. As a part of this structure, I was required to donate my entire income, of Three Hundred-Thirty Five Dollars/Forty Three Cents (\$335.43) by-weekly for over a period of one year.

I feel it is necessary to at least outline a few of the types of contributions I made during my membership with the church:

one \$2,300 Ring - Gold Wedding Band with an \$1,800 Jade stone with four 12 point Diamonds; A White Gold Band with one caret cut Diamond stone (first wedding band); A White Gold One half caret Stone surrounded with a horse shoe of six cut diamond points, cost approximately \$650.00 in 1960.

Fur Coats: Full length Ranch Mink Coat; Full length Grey squirrel coat; Full length Brown Beaver coat; A full length Black Baby Seal coat trimmed with Black Fox and a designers Full length Power Blue and White Australian Lamb coat. A fur collection estimated cash value of \$15,000.

Three Thousand (\$3,000) Dollars Savings deposited at Fireside Thrift Savings and Loan and the Bank of Tokyo.

B. G. A. (12)

A coin Collection estimation unknown, but cash value of Four Hundred Dollard in Bufflo nickles, mecury dimes, Silver dimes, quarters, half dollars, whole dollars and one. One ten dollars Gold certificate, in addition Six (\$6,00) Thousand Dollars in pledges over a period of four-five years.

By no means can I ever obtain again the family heirlooms, coin collections, jewels, furs, energy and many sacrafices which I made in good faith.

I have estimated the approximate figure of Forty-Fifty Thousand Dollars of personal donations and monies accumulated over the greater part of my life. I am a single black mother which makes it all the more difficult for the Internal Revnue to acknowledge such sacraficial donations.

The sum of \$8,542.58 can be verified through my previous payroll system, because I did maintain my check stubs. But this process is extremely time consuming, therefore, your clients cooperation in resolving this matter will be greatly appreciated.

I am further requesting as a suggestion from the Internal Revenue and my previous employer who firmly indicate that a receipt for all donations should have been issued by your client, such a receipt and/or written statement verifying the moderest sum of Fifteen Thousand (\$15,000) Dollars. Again, this in my opinion is a reasonable request. And I look forward to hearing from you in the very near future.

Please find copies of my personal checks verifying large contributions.

Yours very truly,

Kay Henderson

KH:

b6:

B-4 a (B)

SAN FRANCISCO, CALIF. 94115

5/18/1974

11-227
1210

PAY TO THE
ORDER OF

People's Temple

\$75.00

Seventy Five & 00/100

DOLLARS



JAPAN CENTER BRANCH
THE BANK OF TOKYO OF CALIFORNIA
1875 POST STREET SAN FRANCISCO, CALIF. 94115

MEMO *Handwritten*

Kay Henderson

⑆1210⑉0227⑆ 04⑉069 633⑈

⑈0000007500⑈

KAY C. HENDERSON
2121 GEARY BLVD., APT. 309
SAN FRANCISCO, CALIF. 94115

NO. 27

11-227
1210

PAY TO THE
ORDER OF

People's Temple

\$333.00

Three Hundred Thirty Three & 00/100

DOLLARS



JAPAN CENTER BRANCH
THE BANK OF TOKYO OF CALIFORNIA
1875 POST STREET SAN FRANCISCO, CALIF. 94115

MEMO *Handwritten*

Kay Henderson

⑆1210⑉0227⑆ 04⑉069 633⑈

⑈00000033300⑈

KAY C. HENDERSON
2121 GEARY BLVD., APT. 309
SAN FRANCISCO, CALIF. 94115

NO. 41

11-227
1210

PAY TO THE
ORDER OF

People's Temple

\$5.00

Five & 00/100

DOLLARS



JAPAN CENTER BRANCH
THE BANK OF TOKYO OF CALIFORNIA
1875 POST STREET SAN FRANCISCO, CALIF. 94115

MEMO *Handwritten*

Kay Henderson

⑆1210⑉0227⑆ 04⑉069 633⑈

⑈0000000500⑈

KAY C. HENDERSON
2121 GEARY BLVD., APT. 309
SAN FRANCISCO, CALIF. 94115

NO. 39

11-227
1210

PAY TO THE
ORDER OF

People's Temple

\$210.00

Two Hundred Ten & 00/100

DOLLARS



JAPAN CENTER BRANCH
THE BANK OF TOKYO OF CALIFORNIA
1875 POST STREET SAN FRANCISCO, CALIF. 94115

MEMO *Handwritten*

Kay Henderson

⑆1210⑉0227⑆ 04⑉069 633⑈

⑈00000021000⑈

B-4-a (14)

Item 9

Parcel number or
Legal Description
166-010-04

19 78 CHURCH EXEMPTION

CLAIM FOR EXEMPTION FROM PROPERTY TAXES UNDER
SECTION 3(f), 4(d), AND 5, OF ARTICLE XIII OF THE
CONSTITUTION OF THE STATE OF CALIFORNIA AND
SECTIONS 206, 206.1, AND 256 OF THE REVENUE AND TAXATION CODE
(See also Sections 251, 254, 255, 260, 270, and 271 of the Revenue and Taxation Code.)

To receive the full exemption, a claimant must complete and file this form with the Assessor by March 31.

State of California, County of Mendocino

(Name of person making claim) states:

1. That as _____
(Title, such as President, etc.)

2. of the People's Temple of the Disciples of Christ
(Corporate or organization name of church)

3. the mailing address of which is P. O. Box 214, Redwood Valley, Ca. ZIP 95470
(Give complete address)

4. the location of the property of which is _____ ZIP _____
(Give complete address)

5. that I make this claim for church exemption on behalf of said organization for the 19____ - 19____ fiscal year on the property listed on this form and on any accompanying forms (attach a separate form for each location);

6. that all buildings and equipment claimed as exempt are used solely for religious worship; or that any building in the course of erection is intended to be used solely for religious worship;

7. that the land claimed as exempt is required for the convenient use of said buildings;

8. that all real property owned by the church upon which exemption is claimed for parking purposes is necessarily and reasonably required for the parking of automobiles of persons attending or engaged in religious worship or religious activity, and which is not at other times used for commercial purposes. "Commercial purpose" does not include the parking of vehicles or bicycles, the revenue of which does not exceed the ordinary and necessary costs of operating and maintaining the property for parking purposes.

STATE OF CALIFORNIA } ss
COUNTY OF _____

I declare under penalty of perjury that this claim for church exemption, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

Signature of person making claim. Date

THE QUESTIONS ON THE REVERSE SIDE ARE A PART OF THIS CLAIM AND MUST BE ANSWERED.
THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.

Received by _____
(Deputy Assessor)
of _____
(County or City)
on _____
(Date)

PERSON TO CONTACT DURING NORMAL BUSINESS HOURS
FOR ADDITIONAL INFORMATION

Name _____
Address _____

Telephone Number _____

B-4 m (15)

Jean Brown

This is a tax form we file with the City of San Francisco annually to qualify for exemption from City property tax, as a religious organization using the premises solely and exclusively for religious worship on the premises.

We file these forms every year, with usually about the same answers. The main question to wonder about is that they ask if anyone resides in the building. We are not zoned for living in the building.

Last year, chaikin wrote in response to this,

"yes, caretaker and secretary, 2 small rooms only when working overnight."

the year before, cartmell put
"yes, 2 people reside in the building."

and on the original one, tim stoen put for 1972/73, "commencing 2/1/73 4 rooms were used for living quarters for 5 persons, all being assistant pastors, custodian and clerks."

They inspected the church in October 1975.

I would suggest we hold this til March 1978, as it is not due til March 31. By that time there may be very few people left living in the building.

I would also suggest we send a copy overseas and get their advice.

This is the kind of form Chaikin would delay on as long as possible, at least til March, to put off any possible inspection until absolutely necessary.

(There is also the possibility that June the City might anticipate denying our exemption, considering our political activity ... another reason to delay for now though my guess is they would not and would leave it to the IRS to do the dirty work.

B-4-a (16)

Parcel number or
Legal Description _____

19 78 CHURCH EXEMPTION

CLAIM FOR EXEMPTION FROM PROPERTY TAXES UNDER
SECTION 3(f), 4(d), AND 5, OF ARTICLE XIII OF THE
CONSTITUTION OF THE STATE OF CALIFORNIA AND

SECTIONS 206, 206.1, AND 256 OF THE REVENUE AND TAXATION CODE

(See also Sections 251, 254, 255, 260, 270, and 271 of the Revenue and Taxation Code.)

To receive the full exemption, a claimant must complete and file this form with the Assessor by March 31.

State of California, County of San Francisco

(Name of person making claim) state:

1. That as _____
(Title, such as President, etc.)

2. of the PEOPLE'S TEMPLE OF THE DISCIPLES OF CHRIST
(Corporate or organization name of church)

3. the mailing address of which is 1859 Geary St. ZIP 94115
(Give complete address)

4. the location of the property of which is 1859 Geary Street ZIP 94115
(Give complete address)

5. that I make this claim for church exemption on behalf of said organization for the 19 78 - 19 79 fiscal year on the property listed on this form and on any accompanying forms (attach a separate form for each location);

6. that all buildings and equipment claimed as exempt are used solely for religious worship; or that any building in the course of erection is intended to be used solely for religious worship;

7. that the land claimed as exempt is required for the convenient use of said buildings;

8. that all real property owned by the church upon which exemption is claimed for parking purposes is necessarily and reasonably required for the parking of automobiles of persons attending or engaged in religious worship or religious activity, and which is not at other times used for commercial purposes. "Commercial purposes" does not include the parking of vehicles or bicycles, the revenue of which does not exceed the ordinary and necessary costs of operating and maintaining the property for parking purposes.

STATE OF CALIFORNIA
COUNTY OF San Francisco }

I declare, under penalty of perjury that this claim for church exemption, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

Signature of person making claim. Date

THE QUESTIONS ON THE REVERSE SIDE ARE A PART OF THIS CLAIM AND MUST BE ANSWERED.
THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.

Received by _____
(Deputy Assessor)
of San Francisco _____
(County or City)
on _____
(Date)

VOL	BLOCK	LOT	F	P
1	5	707	18	
2				
3				

LOT	LAND	IMPROV.	EXEMPT	NET TOTAL
1				
2				
3				

B-4 a (17)

City and County of San Francisco



Assessor's Office

JOSEPH E. TINNEY
ASSESSOR

SAMUEL DUCA, M.A.I.
CHIEF ASSISTANT ASSESSOR

January 3, 1978

People's Temple of the Disciples of Christ
1859 Geary St-
San Francisco, Ca. 95115

IMPORTANT

FILE THIS CLAIM TODAY

Absolute deadline March 31st.

B-4 a (18)

(415) 558-4011 - 558-4351

Room 101, City Hall

San Francisco, CA 94102

June Crym report #22 --Law Ofc, S. P. 3 Mar 78 Betty McJann

*copy
before*

Item	Name	Forms Received 30 Mar 78/t1
1	Blair, Earnestine E.	SB 1032-Int. Income
2	Borue, Juanita	W-2
3	Chaikin, David	1099-Int. Inc.
4	Chaikin, Rhyllis	W-2, #2
5	Cobb, Sharon	W-2
6	Connedy, Inez S.	W-2
7	Conneserro, Versie	1099-Int. Income
8	Cordell, Edith	W-2 and change of Status & ...
9	Cordell, Mark	W-2
10	<i>Real</i> Cordell	W-2
11	Edwards, James	G.I. S&L -Int. Inc. Statement-In stnt.
12	Fields, Donald R.	W-2, W-2, W-2, 1099, 1099, Int. Income Le.
13	Fitch, Betty	W-2
14	Fitch, Thomas ...	W-2
15	Groot, Pauline	W-2
16	Ijames, Judith L.	77-W-2; 76 W-2 Employee copy only
17	Ijames, Judith L.	77 W-2; 76 W-2 Employee copy only
18	Johnson, Carl J.	W-2p
19	Johnston, Laura R.	W-2
20	Jones, Loretta ...	W-2p
21	Keller, Carroll	W-2, W-2, W-2, unempl. ...
22	Kutulas, Edith	W-2
23	McNiff, Diana	W-2
24	Miller, Christine	W-2
25	Mitchell, Guy	W-2
26	Parké, Joyce	Letter re Retirement, June 6, 77
27	Perry, Leon	1099
28	Polner, Michael Francis	W-2

B-4-a (19)

29	Sanders, Douglas	W-2, 1099
30	Simpson, James	W-2
31	Stroud, Robert H.	W-2
32	Swaney, Nathaniel B.	W-2, 540 ES form
33	Swinney, Cleve L & Helen	W2P(A)
34	Townes, LeFlora	W-2, W-2
35	Tschetter, Mary	W-2
36	Tropp, Harriett S.	W-2
37	Turner, Roosevelt	W-2, and Jan 73 check stubb
38	Wilson, Leslie M.	W-2
39	Walker, Gloria Dawn	W-2
40	Wotherspoon, Mary	1099 - Int. Inc.
41	Wotherspoon, Peter	W-2
42	Jones, Jim	W-2
43	Sines, Ronald B.	76 W-2
44	Thomas, L.	W-2
45	Johnson, Ira	W-2
46	Jones, Earnest	W-2, 1099R, 590R
47	Brown, Jean	
48	Burgines, Mosie Leo	
49	Crym, June	
50	Davis, J. L.	
51	Fairley, Vadia	
52	Kewell, Mattie	
53	Mollins, Vee	
54	Houston, Phyllis	
55	Jackson, Paulette	W-2
56	Johnson, Florida	
57	Jones, Brenda	
58	Kice, Christine	
59	Klingman, Michael	
60	Kislingberry, Sharron	W-2, W-2 & check stubb

B-4-a(20)

Item # Name Forms Received 30 Mar 73/51

61 Kravitz, Brian
62 Layton, Laurence P.
63 Martin, Patricia A.
64 McElvane, J. H.
65 Purifoy, Kathy
66 Randolph, James H.
67 Saffold, Alfreda
68 Severns, Gina
69 Smith, David E.
70 Stahl, Carol A. (Alfred S. Depot)
71 Williams, Sue Ellen
72 Wilson, Joe L.
73 Young, Vera
74 Bradshaw, Sandra
75 Beck, George Donald
76 Brown, Clinton J.
77 Godshalk, Raymond D.
78 Heneka, John F.
79 Hoyer, Barbara . .
80 Johnston, Kristine
81 Sines, Lebra D.
82 Thomas, Carolyn
83 Weirin, Laurie
84 Thomas, L.
85 Sanders, Dorothy J.

Notice Change in Health Benefits

Received separately:

1a Liner, Linda
2a James, Linda
3a Lende, Karen

4-2
4-2, 4-2
4-2

B-4-a(21)

Received with Mar 3 report from June --Law Office Report #22

By

Item	Date	TO DO	Name	Description	Add'l Amt. Due
7 Mar 78	A		Cartmell, Walter C.	Automatic Assessment	\$523.00
30 Sep 77	B		Christian, Vernetta	Order to Withhold Wages	816.39
23 Nov 77	B		Edwards, Shirley Ann	IRS Collection letter	1382.64
13 Mar 78	A		Jones, Annette T.	Auto Tax Incr Letter	686.77
31 Aug 77	G		Perry, Leon	IRS Hiway Tx due on Trk	135.00
9 Jan 78	A		Satterwhite, Alvary	Auto Tax incr-State	50.52
27 Jan 78	A		Satterwhite, Alvary	Auto Tax incr-Federal	383.20
9 Dec 77	B		Shavers, Mary L.	Collection Letter-IRS	219.52
1978	D		Swinney, Cleve & Helen	540 EX-Est. Tax State	Form
28 Nov 77	E		Swinney, Cleve & Helen	Tx Incr/Cleve Disab listed at \$2876	686.00
20 Jan 78	A		Tschetter, Al & Mary	'76 Tax Incr Letter dis-allowing Sched A	1448.00
1974	F		Tropp, Dick & Kathy	74 St & Fed'l returns	Photocopy
1974	F		Schacht, Larry	1040 A for 1974	Photocopy
1974	F		Morton, Beatrice Orsot	1040	Photocopy
1974	F		Looman, Carolyn	1040	Photocopy
1974	F		Cobb, Sharon	St and Fed'l Returns	Photocopy
1974	F		Amos, Sharon Linda	Form 540	Photocopy
1976	F		Gosney, Vernon	1040 A and 540	Original
74/75/76	F		Mutschmann, Jane	Tax records 3 years	Original
76/77	G		Perry, Leon	76 Returns and some 77 tax records -Orig file	Original

Jerry

- A) Will send Church contribution letter after we locate figures & orig rtn.
- B) Will do nothing. Is an IRS Collection letter. If you don't have it, they cannot collect!
- C) Will send letter that he sold the truck last year and has not driven since
- D) Not Applicable-if no earnings, you don't send it in.
- E) Will mail letter to June, having her mail it on..stating that this is disability insurance SS and therefore not taxable..
- F) Just for our files --nothing to do.
- G) Will use the 77 records to help file his returns.

B-4-a (22)