



U.S. Department of Justice

Tax Division

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July 1, 2003

Via FedEx
Irwin Schiff
Cynthia Neun
Lawrence Cohen
444 East Sahara
Las Vegas, NV 89104

Re: *United States v. Schiff, et al.*
(D. Nev. Case No. CV-S-03-0281-LDG-RJJ)

Dear Mr. Schiff, Ms. Neun, and Mr. Cohen:

On June 25, 2003, each of you filed a certificate of compliance with the Court, certifying under penalty of perjury that you were in compliance with the June 16, 2003 preliminary injunction order. After reviewing the www.paynoincometax.com and www.taxfreedomnow.com websites, I disagree that you are fully in compliance with the order and am sending you this letter to detail your non-compliance. **If you do not comply with the Court's order by July 7, 2003, other than those portions specifically extended by the clarification order, then the Government will file a motion to hold each of you in contempt.**

The www.paynoincometax.com website continues to contain numerous false statements that suggest the zero-income tax return and the "exempt" Form W-4 strategics are legal and will successfully insulate your customers from owing or paying federal income taxes. For example, the "home page" alone contains the following false statements:

Schiff Lecture at Toledo Law School should convince even the most skeptical that there is no law requiring anyone to pay income "taxes".

This Book [*The Federal Mafia*] will prove to you that the "Federal income tax" represents the greatest hoax and organized program of extortion ever conceived by man. It will also prove to you that practically no information you get from tax lawyers, C.P.A.'s, HR Block and other tax preparers is accurate, however it's not for sale because the government doesn't want you to find this out.

On the "home page" you link to an "article" in the Las Vegas Chamber of Commerce bulletin—which clearly is an advertisement—that contains false and misleading statements about your services and the federal income tax system. You also link to testimonials and refund checks;