

From: Judge Navin-Chandra Naidu/Silver Cloud Musafir
3610 Crooked Creek Drive
Diamond Bar, California 91765

To: Mr. Michael L. Bass
Supervisory Special Agent
U.S. Department of Justice
Federal Bureau of Investigation
11000 Wilshire Boulevard,
Los Angeles, California 90024

Dear Mr. Michael L. Bass,

Thanks very much for your communication of July 11, 2014, in the matter of the U.S.D.C. of the Northern District of Georgia v. Derrick H. Sanders.

I am not quite sure of the reason you sent me this information, but I would imagine it had something to do with a visit by one of the FBI Agents to my private residence in Diamond Bar.

It would have been delightful if someone had called to make an appointment prior to the visit because such unsolicited visits are rather awkward, if not distasteful. I mean, can I personally visit your home unannounced to discuss a point of law? How would you react to that as a civilized, educated and cultured individual? I am sure the FBI has the wherewithal to locate my residential telephone number, make a call, and thereafter visit, have a cup of tea, nibble on some cookies, and talk.

Nevertheless, it would appear that you are associating the issue of tax shelters to my standing in the community as a husband, a father, a grandfather, a law teacher, a lawyer and a tribal judge who is learned in the law.

You have sent me a decision subjectively made by some federal judge who obviously thinks he is the final infallible authority as an oracle of the law of penalties and caveats concerning taxation issues. I am not even sure if Mr. Derrick H. Sanders appealed this haphazard ruling which, in my humble opinion, fails to gain traction under the rule of law.

Strictly for the purposes of argument and understanding the law, 26 U.S. Code § 7408 relates to actions to enjoin specified conduct related to tax shelters and reportable transactions – the Act fails to specify what is specific conduct. For example, does teaching tax laws relating to tax shelters constitute a breach or violation of section 7408 that will automatically trigger penalties contemplated under 26 U.S. Code § 6700 – *Any person* promoting abusive tax shelters, etc. Would that include a teacher of law, accountant, a tax attorney who answers questions about tax exemptions enjoyed by Native Americans ?

There is a plethora of detail about tax exemptions (501 c 3), exceptions (508 c 1 a), and exclusions in Title 26, United States Code. Does invoking or applying for one of these benefits constitute a violation of Sections 7408 and 6700 ? If so, these exemptions, exceptions and exclusions will not be mentioned.

Tax exemptions enjoyed by Native Americans is not a great secret, or an unspeakable benefit, and neither does it constitute promoting a tax shelter. For example, Section 17 of the Indian Reorganization Act (IRA) of 1934 specifically stipulates that Indian tribes and Indian tribal corporations enjoy tax exemptions. So, if someone, say a student of mine, asks me about Section 17 of the IRA of 1934, and if I answer that *the law* allows tax exemptions, will I be charged for promoting a tax shelter? If I will be so charged, then this is not a free country anymore, but a police state.

The Internal Revenue Service is currently experiencing unresolved embarrassment with the resignation of Ms. Lois Lerner, Director of Exemptions, over the “lost emails” saga after having been charged with improperly using her Office to target Republican Tea Party organizations and groups who are tax-exempt. Surely the Service does not want another congressional flare-up over the issue of targeting Native Americans who constitutionally, lawfully, legally and legitimately desire to use Section 17 of the IRA of 1934, if indeed Native Americans are clamoring for tax exemptions actuated by trenchant denials and refusals by the Service.

The Northern District of Georgia also points to the fact that the Yamassee are not Native Americans. This is sadly incorrect because I can tell you that the federal judge who decided the *Sanders* case did not do his homework. The Yamassee are part and parcel of the Muscogee Nation associated with


the Creeks who concluded the Treaty of Camp Holmes on 24 August 1835, codified as 7 Stat. 474. The name of the Muscogee Nation appears in the Federally Recognized Indian Tribes List Act of 1995.

The issue of the Yamassee being non-resident aliens is arguable depending on the interpretation(s) of Article 1, section 8, clause 4 of the U.S. Constitution, and whether the consent of Native Americans is absolutely required and essential before they can be assimilated as U.S. citizens under the 1925 Indian Naturalization Act.

I would venture to say that the *Sanders* case federal judge fell under the spell of a “false and undesirable notion that a nice concept has a certain persistence once introduced into the law. Preserved in the record of precedent, it never ceases to tempt resurrection to help some court out of a hard case.” (Russel Lawrence Barsh & James Youngblood Henderson, *The Road: Indian tribes and Political Liberty*, at page 183).

Be that as it may, I thank you for your concern over this matter, and I can assure you that I shall leave no stone unturned in teaching the law of taxation according to the rule of law, doctrines and maxims of law, and decided cases that offer tax exemptions, exceptions and exclusions to Native Americans who seek my advice and guidance. Please do not take this as an expression of bravado and defiance, but teaching the law is closely associated with my right to a livelihood as contemplated under the Ninth Amendment, Bill of Rights, U.S. Constitution.

Respectfully,



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- ~ Judge Navin-Chandra Naidu/Silver Cloud Musafir
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