

**IN THE UNITED STATES DISTRICT COURT FOR THE  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION**

<b>United States,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
<b>v.</b>	)	<b>Civil No. 6:10-cv-1873-Orl-19DAB</b>
	)	
	)	
<b>David Lee Miner, individually and dba IRx Solutions and Blue Ridge Group,</b>	)	
	)	
<b>Defendant.</b>	)	

**Complaint and Request for Injunctive Relief**

Plaintiff United States of America, for its complaint against defendant David L. Miner, individually and doing business as IRx Solutions and Blue Ridge Group, states as follows:

**Jurisdiction and Venue**

1. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. §§ 7402(a) and 7408.
2. This suit is brought under 26 U.S.C. §§ 7402 and 7408 to restrain and enjoin Miner from promoting the false tax schemes described below.
3. This action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General under 26 U.S.C. §§ 7402 and 7408.

4. Miner resides in Orlando, Florida, and does business through IRx Solutions and Blue Ridge Group in Altamonte Springs, Florida.
5. Venue is proper in this Court under 28 U.S.C. §§ 1391 and 1396.

**Miner's IMF decoder scheme**

6. Miner promotes an IMF decoder scheme at [www.irx-solutions.com](http://www.irx-solutions.com).
7. The Individual Master File or "IMF" refers to IRS records regarding all information with respect to a taxpayer's filing of individual returns and related documents.
8. At the irx-solutions website, Miner falsely states that there "is no section of the Internal Revenue Code or its enabling regulations that requires me, an individual American NOT involved in a revenue-taxable activity, to file a Form 1040 or pay income taxes."
9. At the irx-solutions website, Miner falsely states that an "IMF is filled with lies and misinformation for the specific purpose of allowing the IRS to pursue you for returns and for taxes. Once your IMF reflects ONLY correct and accurate details, then the IRS is blocked by both legal and software limitations from pursuing you."
10. At the irx-solutions website, Miner falsely promises that he can change his customers' Individual Master File to prevent the IRS from collecting taxes: "In other words, you fix the IMF and the IRS goes away."
11. Miner also falsely states at the irx-solutions website that he has legally

helped more than 2,000 customers to stop paying taxes: “About half of our clients experience this freedom from the IRS in the first year. About half experience this freedom mid to late in the second year. To date, all but three of our more than two thousand clients have experienced this freedom in less than 24 months.”

12. As part of this promotion, Miner falsely promises that once he has “fixed” the customer’s Individual Master File, “the IRS must leave you alone.”
13. As part of this scheme, Miner’s customers file FOIA requests with the IRS to obtain their Individual Master File.
14. As part of this scheme, Miner falsely claims to “decode” his customers’ IMFs and declares that they are not required to pay income taxes.
15. Relying on Miner’s false promises that they are not required to pay federal income taxes, Miner’s customers then make frivolous arguments to the IRS regarding their tax liabilities, including that the IRS may not collect taxes owed or even contact the customers regarding their tax debts.
16. As part of this scheme, Miner also drafts frivolous documents for his customers to send to the IRS.
17. Miner falsely promises his customers that “[e]ach and every suggested response to the IRS that we will forward to you will be based in current legal research and will be accurate in everything it states.”
18. As part of this promotion, Miner also provides customers copies of two

books, *Tax Answers The IRS Doesn't Want You To Have* and *Tax Answers Workbook* replete with false statements about the Internal Revenue Code, including that income tax laws do not apply to the average U.S. citizen, that tax laws only apply to resident aliens, and that filing federal tax returns is voluntary.

19. Miner charges customers \$1,800 for the IMF decoding scheme described above.
20. Based on his professed expert knowledge of the internal revenue laws, Miner knows or should know that his customers are legally obligated to file federal income tax returns, to pay federal income tax, and that courts have held that similar IMF decoding schemes are patently false.

#### **Miner's "Pure Trust" Abusive Tax Scheme**

21. Miner, individually and doing business a Blue Ridge Group, also promotes a "pure trust" abusive tax scheme at [www.freedomsite.net](http://www.freedomsite.net).
22. Miner promotes the "pure trust" abusive tax scheme to assist his customers, many of whom have substantial federal tax debts, in evading paying federal income taxes, in concealing their assets, and to interfere with IRS collection efforts.
23. As part of this scheme, Miner and others working for him assist customers in the creation of fraudulent Unincorporated Business Trust Organizations, or "Pure Trusts," for a fee of \$2,000.

24. Under this scheme, Miner provides an “Information Sheet for the creation of an Unincorporated Business Trust Organization (UBTO” that customers fill out in order to create a trust.
25. As part of this scheme, Miner falsely advises customers that by “exchanging” their personal assets with the pure trust, his customers can continue to control the assets and enjoy tremendous tax benefits, including never having to pay gift tax for assets transferred to the trust, estate tax, or income tax on trust income.
26. Under this scheme, while customers purport to transfer assets to trusts, the customers retain the use, control, and dominion of any income and assets placed in the trusts.
27. Under this scheme, Miner also falsely advises customers that the “pure trust” is “private” and that customers do not “have to register the Pure Trust Organization, its assets, or its functions with any city, state or federal body,” in direct contravention of the return-filing requirements for trusts under the Internal Revenue Code.
28. Under this scheme, Miner also falsely advises customers even though they retain complete control over trust assets, the “assets of the Pure Trust Organization may not be touched by . . .personal creditors,” including the IRS.
29. As part of this scheme, Miner also falsely advises customers that “pure

trusts” are not “taxpayers” and are thus not required to file federal tax returns.

30. As a purported expert on the internal revenue code, Miner knows or should know that courts have repeatedly held that so-called “pure trusts are fictitious legal devices that have long been used as part of sales pitches to an unsuspecting public. Their purveyors falsely represent that this trust device can prevent the federal government from levying taxes on assets contained in the trust.” *See United States v. Karl*, 264 Fed.Appx. 550, 552 n. 1 (9th Cir. 2008)

### **Harm to the Government**

31. The IRS has already identified 62 of Miner’s customers with a combined estimated tax debt of \$8.9 million, or an average tax debt of almost \$150,000 per customer.
32. If Miner is not enjoined, Miner will continue to promote the abusive tax schemes discussed above.

### **Count I**

#### **Injunction under 26 U.S.C. § 7408 for Violation of 26 U.S.C. §6700**

33. The United States incorporates by reference the allegations in paragraphs 1 through 32.
34. Section 7408 of 26 U.S.C. authorizes a court to enjoin persons who have engaged in any conduct subject to penalty under 26 U.S.C. §§ 6700 and

6701 if the court finds that injunctive relief is appropriate to prevent the recurrence of such conduct.

35. Section 6700 of 26 U.S.C. penalizes any person who organizes or sells a plan or arrangement and makes, in connection with organizing or selling the plan or arrangement, a statement regarding the excludibility of income or securing of other tax benefit that the person knows or has reason to know is false or fraudulent as to any material matter.
36. Miner, either individually or through IRx Solutions and Blue Ridge Group, organizes and sells abusive tax schemes. In organizing and selling these abusive tax schemes, Miner makes false or fraudulent statements regarding his customers' obligation to pay federal income taxes based on his "decoding" of his customers' IMF or through the creation of "pure trusts." Miner knows or has reason to know that his programs and program materials contain false or fraudulent statements within the meaning of 26 U.S.C. § 6700.
37. If Miner is not enjoined from promoting the IMF decoding schemes and pure trust schemes described above, he is likely to continue to organize and sell these or other abusive tax schemes.

## **Count II**

### **Injunction under 26 U.S.C. § 7408 for Violation of 26 U.S.C. § 6701**

38. The United States incorporates by reference the allegations in paragraphs 1

through 37.

39. Section 7408 of 26 U.S.C. authorizes a court to enjoin persons who have engaged in conduct subject to penalty under 26 U.S.C. § 6701 from engaging in further such conduct. Section 6701 imposes a penalty on any person who aids in the preparation of any portion of a return or other document, who knows the portion or document will be used in connection with any material matter under the internal revenue laws, and who knows the portion or document (if so used) would result in understating another person's tax liability.
40. Miner prepared FOIA requests and other documents for customers that were intended to be used (and were used) in connection with material matters arising under the internal revenue laws.
41. Miner knew that these documents (if so used) would result in understatements of customers' tax liabilities. Miner thus engaged in conduct subject to penalty under 26 U.S.C. § 6701.
42. Miner prepared "pure trust" documents for customers that were intended to be used (and were used) in connection with material matters arising under the internal revenue laws.
43. Miner knew that these documents (if so used) would result in understatements of customers' tax liabilities. Miner thus engaged in conduct subject to penalty under 26 U.S.C. § 6701.



WHEREFORE, plaintiff, the United States of America, respectfully prays for the following:

A. That the Court find that Miner, individually and doing business as IRx Solutions and Blue Ridge Group, has engaged in conduct subject to penalty under 26 U.S.C. §§ 6700 and 6701, and that injunctive relief under 26 U.S.C. § 7408 is appropriate to prevent a recurrence of this conduct;

B. That this Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Miner, individually and doing business as IRx Solutions and Blue Ridge Group, and through any other name or entity, and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him, from directly or indirectly:

- a. Advocating, through his websites or other promotional materials, the false and frivolous position that Miner's customers can use the IMF and other documents obtained under FOIA to prove that they are not liable for federal income tax
- b. Filing, providing forms for, or otherwise aiding and abetting the filing of frivolous FOIA requests on behalf of himself and others;
- c. Preparing or assisting in the preparation of documents purporting to "decode" IRS files;
- d. Advocating, through his websites or other promotional materials, the false and frivolous position that Miner's customers can use "pure trusts" to evade their federal tax obligations
- e. Filing, providing forms for, or otherwise aiding and abetting in the creation of "pure trusts";
- f. Falsely advising customers and others that they have no federal tax

obligation due to the creation of “pure trusts”;

- g. Falsely advising customers and others that they are not required to file federal tax returns or pay federal taxes;
- h. organizing, promoting or selling any entity, plan, or arrangement that advises or assists customers to violate the internal revenue laws or unlawfully evade the assessment or collection of federal tax;
- I. making false statements, in connection with such organization, promoting, or selling about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by reason of participating in any such tax shelter, plan or other arrangement; and
- j. Providing any tax advice to any persons.

C. That this Court, under 26 U.S.C. §§ 7402 enter an injunction requiring Miner to contact by mail (and also by e-mail, if an address is known) all persons who have purchased any products, services, or advice associated with the false or fraudulent tax schemes described in this complaint and inform those individuals of the Court’s findings concerning the falsity of Miner’s prior representations and attach a copy of the permanent injunction against Miner and his associates and related entities;

D. That this Court, under 26 U.S.C. §§ 7402 enter an injunction requiring Miner to produce to the United States any records in his possession or to which he has access, identifying the persons who have purchased his abusive tax plans, arrangements, or programs (purchased either directly from him or from his associates or related entities);

E. That this Court, under 26 U.S.C. §§ 7402 enter an injunction requiring Miner and his representatives, agents, servants, employees, attorneys, and those persons in

active concert or participation with him, to remove from his websites all abusive tax scheme promotional materials and false commercial speech, to display prominently on the first page of those websites a complete copy of the Court's permanent injunction, and to maintain the websites for one year with a complete copy of the Court's permanent injunction so displayed throughout that time;

F. That this Court order that the United States is permitted to engage in post-judgment discovery to ensure compliance with the permanent injunction; and

G. That this Court grant the United States such other relief, including costs, as is just and equitable.

Dated: December 13, 2010

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