

THE POWER TO DESTROY

Woman triumphs over IRS in million-dollar tax case

Federal jury acquits FedEx pilot who questioned legality of levy

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A federal jury in Memphis has acquitted a woman charged by the Internal Revenue Service of conspiring to evade nearly \$1 million in taxes.

Jurors on Friday declared FedEx pilot Vernice Kuglin, 58, not guilty of evading \$920,000 in taxes, though the question of how the bill would be paid was left unsettled following the five-day trial.

"I think it is safe to assume the IRS will attempt civil collection, but she is not guilty of tax evasion," defense attorney Robert Bernhoft of Milwaukee told the Commercial Appeal newspaper.

For her part, Kuglin said she felt the verdict was in line. "I feel justified," she told the paper. Kuglin was charged with six counts of tax evasion, for which she could have received up to 30 years in prison had she been convicted. Government prosecutors claimed she filed false W-4 forms for the years 1996 through 2001.

A FedEx pilot for nearly 18 years, Kuglin said she had paid taxes like most other wage earners until about a decade ago, when the paper said she began to question the tax code.

She said she researched legal documents, court cases and the tax code itself, but claimed she could not find a specific section that stated she is liable to pay taxes. Rather, she found a series of contradictions, she told the Appeal.

In 1995 Kuglin wrote to the IRS twice with questions about her obligation to pay taxes, but said she never received a response.

Federal prosecutors said Kuglin, however, did have an opportunity to sit down and discuss her obligations with the IRS but failed to do so.

Nevertheless, defense attorney Larry Becraft of Huntsville, Ala., who has a reputation for defending tax-related cases, said Kuglin decided mandatory payment of income taxes "did not apply to her." Following Friday's verdict, he declared the federal tax code "at best is a walking due-process violation."

Barbara Snodgrass, one of the jurors, told the paper the panel chose to acquit Kuglin because "we all felt that the prosecution didn't prove its case."

Kuglin left open the possibility of future IRS cooperation, without admitting she owes the agency money.

"I will pay all the taxes for which I am liable," she told the paper.

Kuglin's case echoes complaints about the IRS made by Bob Schulz, a leader in the "tax honesty" movement.

In March 2002 Schulz, WorldNetDaily reported, sponsored a "Truth in Taxation" hearing in Washington, D.C., which featured a number of prominent figures in the tax-reform movement.

The forum was held despite the cancellation of previously scheduled appearances by Rep. Roscoe Bartlett, R-Md., and officials from the IRS and Justice Department.

Despite the lack of official sanction, Schulz declared the event a success and said he had "brought to public attention" allegations that the government has "intentionally and systematically conspired to deprive the American People of our Constitutional rights. ..."

"The hearing was but another step in the people's determination to get to the truth regarding the fraudulent origin and operation of the Federal Reserve system, the unconstitutional creation of the Internal Revenue Service and the illegal operations of our nation's income tax system," he said in a statement following the forum.