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than \$400,000 in a bizarre tax-fraud scheme, and a federal judge, clearly perturbed by Julison's defiance, ordered him to await sentencing in jail.

Aug. 12, 2013

A Portland, Ore., jury on Friday found Miles J. Julison guilty of making off with more than \$400,000 in a bizarre tax-fraud scheme, and a federal judge, clearly perturbed by Julison's defiance, ordered him to await sentencing in jail.

"Marshals, you may take this man into custody," said Judge Michael H. Simon in U.S. District Court.

Julison, who calls himself "a bond servant of Jesus Christ," said he did not recognize the jurisdiction of Simon's court. But he seemed to appreciate the two muscular deputy marshals who approached him with handcuffs. He went peacefully from the court wearing a dark, neatly tailored business suit.

Julison's troubles began when he went into real estate, flipping houses. The market was hot, but Julison's talents apparently were not. He and his wife reported income of \$23,000 in 2004, and about half that in 2006.

By 2008, as the housing market began its precipitous dive, Julison was on the edge of financial ruin, according to prosecutors. But that July, he filed his 2007 individual income tax return with the IRS, reporting \$583,151 in "other income." Julison also reported that the entire amount was withheld as income taxes.

He claimed he was owed a refund of \$411,773 based on these amounts, and the IRS mailed Julison a check for that amount.

Prosecutors say he used the money to pay \$101,997 toward a home loan, \$62,000 for a Mercedes-Benz, and \$58,656 toward credit card bills. He also bought a boat.

He came up with the dollar amounts reported on his tax return by adding his

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In October 2008, for reasons that still baffle prosecutors, Julison walked into the criminal investigation division of the Portland IRS office to talk to federal agents.

“During this conversation, Julison stated several standard tax protestor/sovereign citizen positions,” prosecutors wrote in a trial brief.

In January 2009, Julison reported \$2.3 million in interest income. He sought a refund of \$1.5 million.

That March, two IRS agents told Julison he was under criminal investigation. He responded by giving them a long interview to explain how he had prepared his 2007 and 2008 tax returns.

Around Easter, Julison appeared at a Portland Red Lion hotel to give a lecture with others on how to use 1099s to make claims for false income tax refunds, a scam they called “the process.” Julison told them he was lazy and greedy and just wanted to get rich, according to an audio uncovered by federal agents.

The theory of “the process” is rooted in a conspiracy — popular among tax resisters — that the U.S. government is no longer a country but a corporation, and that an account for \$1 million is set aside for each child born in the country.

After Julison was arraigned in late 2011 for making false claims against the United States, Simon allowed him to go free while awaiting trial. But the judge ordered him to hand over his passport. A few days later, Julison sent the court a letter saying he rescinded his agreement. He rubber stamped it with the words, “Contract canceled.”

Simon sent him to jail. When he was later freed, Julison refused to recognize the court's jurisdiction and declined to be represented by a lawyer. Simon assigned Patrick J. Ehlers, a deputy federal public defender, to advocate for Julison. But Julison refused to recognize the court, or Ehler's representation.

Ehlers and a team of investigators pored through thousands of pages of evidence,

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Then Julison spoke up. He said he was in the court under duress, was not the person named in the indictment, and was innocent.

“I have inalienable rights,” Julison said,” before Simon ordered him to sit. And he responded: “I will sit down under duress.”

His sentencing was set for Nov. 20.

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