

# DEFENDANT'S EXHIBIT U

## Hurley v. Lopez MJM-23-2494

### **Description,** *IRS Forms, Instructions & Publications Summary*

Group of nine pages, as Standard of Review, summarizing the IRS regulations mentioned of the **1099MISC Box 3** form, instructions, and publications regarding the mandate to report taxable earnings by damages over \$600.

### **Relevancy**

To prove the federal **Internal Revenue Code** (IRC) [26 USC] clear and readable ruling-mandate to report on the **box three** of the form taxable earnings by damages over \$600, by the affected party (payer).

### **Source & Validation**

#### **irs.gov/forms-instructions**

Made, paid, provided, accepted, discussed and/or certified by parties and/or governmental institutions

### **Federal Rules of Evidence**

Rule 401 – Relevance Evidence must make a fact more or less probable and be material to the case.

902 – Self-Authentication Certain documents (e.g., certified public records, newspapers, official publications) require no extrinsic evidence of authenticity.

# WHAT THE IRS INSTRUCTIONS SHOW

TAX YEAR 2020

[irs.gov/pub/irs-prior/i1099msc--2020.pdf](https://irs.gov/pub/irs-prior/i1099msc--2020.pdf)

**“Box 3. Other Income / Enter other income of \$600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form... 5. Generally, all punitive damages, any damages for nonphysical injuries or sickness, and any other taxable damages. Report punitive damages even if they relate to physical injury or physical sickness. Generally, report all compensatory damages for nonphysical injuries or sickness, such as employment discrimination or defamation...”**

TAX YEAR 2021

[irs.gov/pub/irs-prior/i1099mec--2021.pdf](https://irs.gov/pub/irs-prior/i1099mec--2021.pdf)

**“Box 3. Other Income / Enter other income of \$600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form... 5. Generally, all punitive damages, any damages for nonphysical injuries or sickness, and any other taxable damages. Report punitive damages even if they relate to physical injury or physical sickness. Generally, report all compensatory damages for nonphysical injuries or sickness, such as employment discrimination or defamation...”**

TAX YEARS 2022-2023 (2023 never provided by IRS)

[irs.gov/pub/irs-prior/i1099mec--2022.pdf](https://irs.gov/pub/irs-prior/i1099mec--2022.pdf)

**"Box 3. Other Income / Enter other income of \$600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form....5. Generally, all punitive damages, any damages for nonphysical injuries or sickness, and any other taxable damages. Report punitive damages even if they relate to physical injury or physical sickness. Generally, report all compensatory damages for nonphysical injuries or sickness, such as employment discrimination or defamation..."**

Every year, pursuant **26 USC 6041**, and the **IRS Instructions for Forms 1099-MISC and 1099-NEC**, billions of dollars of **reportable-mandated taxable income** are filed by hundreds of institutions, entities and natural persons (*taxpayers*), reporting payments, benefits and compensations via form **1099-MISC** (*by damages on Box 3*; and, regular cash-type ones on the other form sections).

## **Regulatory Analysis:**

### **Form 1099-MISC Box 3 and Other Income**

#### **A. Form Purpose and Structure Post-2020 Restructuring**

Form 1099-MISC, *Miscellaneous Information*, serves as a critical link in the third-party reporting framework. Following the 2020 introduction of Form 1099-NEC (Nonemployee Compensation), Form 1099-MISC is now primarily used to report miscellaneous payments not related to direct services performed by an independent contractor.

**Box 3** is designated for "Other income" of \$600 or more that does not fit into other specific categories on the form. This **statutory reporting** threshold ensures that substantial payments that fall outside typical W-2 or 1099-NEC classifications are still reported to the IRS.

#### **B. Components of Other Income**

1. **Taxable Damages:** The focus of the query, including punitive damages and settlements for non-physical injuries.

Taxpayers receiving a Form 1099-MISC report the Box 3 amount on their individual income tax return (**Form 1040**), typically on **Schedule 1, Line 8i or 8z**, identifying the payment.

## **ON ECF 23 THE DEFENDANT CLARIFIED**

a) About the particular the following regulations posted by the IRS in its Publication 1099MEC **Instructions for Forms 1099-MISC and 1099-NEC** state *ad verbatim*:

**Specific Instructions for Form 1099-MISC**

File Form 1099-MISC, Miscellaneous Information, for each person in the course of your business to whom you have paid the following during the year.

- At least \$600 in:
  - Rents ([box 1](#));
  - Prizes and awards ([box 3](#));
  - **Other income payments ([box 3](#))**;

**Box 3. Other Income**

Enter other income of \$600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form.

Generally, **all punitive damages**, any damages for nonphysical injuries or sickness, **and any other taxable damages**. Report **punitive damages** even if they relate to physical injury or physical sickness. Generally, **report all compensatory damages** for nonphysical injuries or sickness, such as employment discrimination or defamation.

**REGULATIONS LINK SOURCE:**

[https://www.irs.gov/instructions/i1099mec#en\\_US\\_202401\\_publink1000276561](https://www.irs.gov/instructions/i1099mec#en_US_202401_publink1000276561)

a) About the particular the following regulations posted by the IRS in its Publication 525 **Taxable and Nontaxable Income** state *ad verbatim*:

**Illegal activities.**

**Income from illegal activities**, such as money from dealing illegal drugs, **must be included in your income** on Schedule 1 (Form 1040), line 8z, or on Schedule C (Form 1040) if from your self-employment activity.

**Include the following as ordinary income.**

1. Interest on any award.
2. **Compensation** for lost wages or **lost profits in most cases**.
3. **Punitive damages** in most cases. It doesn't matter if they relate to a physical injury or physical sickness.
4. Amounts received in settlement of pension rights (if you didn't contribute to the plan).

1       **5. Damages for:**

- 2           a. Patent or copyright infringement,  
3           **b. Breach of contract, or**  
4           **c. Interference with business operations.**

5       REGULATIONS LINK SOURCE:

6       [https://www.irs.gov/publications/p525#en\\_US\\_2024\\_publink1000229557](https://www.irs.gov/publications/p525#en_US_2024_publink1000229557)

7       **The aforesaid regulations validate the Defendant tax filings and explain why**  
8       **the IRS continue enforcing the collection of \$35+ million dollars against the**  
9       **Plaintiffs, increasing astronomically year after year due to the penalties.**

11                               **DEFENDANT LONG**

13                               **RELASHIONSHIP WITH THE IRS**

14  
15  
16       In line with that mandate, since the decade of 1990s, the IRS has been  
17 receiving, accepting, recognizing, validating and processing under the penalty of  
18 perjury **trillions of dollars from the Defendant** against domestic, local and  
19 international parties, acknowledging him as one of the main wealthiest taxpayers in  
20 America, related to the administration of his multi-trillion estate ([www.eblm.us](http://www.eblm.us)).

21  
22  
23       This wealth recognition was certified in 2024 when the U.S. Treasury notified  
24 to the Defendant privacy violations prosecution practiced by an IRS contractor,  
25 **currently serving 5 years jail time. See following screenshots.**  
26  
27  
28



Department of the Treasury  
Internal Revenue Service  
Washington, DC 20224

Date: 04/12/2024

69059CAA  
BASILIO LOPEZ MARTIN ESTATE  
MEDINA ALBERTO LOPEZ ADM  
% ALBERTO MEDINA LOPEZ  
PO BOX 6596  
WOODBIDGE VA 22195

Dear BASILIO LOPEZ MARTIN ESTATE :

We are providing you this letter to notify you that an Internal Revenue Service (IRS) contractor has been charged with the unauthorized inspection or disclosure of your tax return or return information, between 2018 and 2020.<sup>1</sup>

We have enclosed copies of Internal Revenue Code (IRC) Section 7431 and the criminal charge with this letter. IRC 7431(a) provides for civil claims for unauthorized disclosure of return information.

The Department of Justice is prosecuting this matter and has provided information about the Crime Victims' Rights Act and the status of this criminal case at [Justice.gov/criminal-vns/case/united-states-v-charles-littlejohn](https://www.justice.gov/criminal-vns/case/united-states-v-charles-littlejohn).

If you have any questions about your rights under the Crime Victims' Rights Act, please email the Department of Justice at [CRM-PIN.Victims@usdoj.gov](mailto:CRM-PIN.Victims@usdoj.gov).

If you have questions about the law or any private right of action you may have, you should consult an attorney.

If you have questions for IRS about this matter, you can email us at [Notification.7431@irs.gov](mailto:Notification.7431@irs.gov), and we'll respond to you. Please do not email sensitive information (e.g., Employee Identification numbers, business addresses, bank routing and account numbers or other sensitive Business or Personally Identifiable Information).

Enclosures:

IRC Section 7431

Copy of criminal information, U.S. v. Littlejohn

<sup>1</sup>. See 26 USC Sec. 7431, as amended by the Taxpayer Browsing Protection Act of 1997.

Letter 6613-A (3-2024)  
Catalog Number 94663T

1  
2  
3  
4 UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

5 UNITED STATES OF AMERICA, )

6 vs. )

7 CHARLES EDWARD LITTLEJOHN, )

8 Defendant. )  
9

Case: 1:23-cr-00343

Assigned To : Reyes, Ana C.

Assign. Date : 9/29/2023

Description: INFORMATION (A)

10 INFORMATION

11 The United States charges:

12 GENERAL ALLEGATIONS

13 1. From in or about 2017 until in or about 2021, Defendant **CHARLES EDWARD**  
14 **LITTLEJOHN** served as a contractor to Company A, a consulting firm that serviced public and  
private clients.

15 2. During the relevant period, Defendant primarily worked on contracts Company A  
16 had obtained with the U.S. Department of the Treasury's Internal Revenue Service ("IRS").  
17 Pursuant to 26 U.S.C. § 6103(n), returns and return information were disclosed to Defendant for  
purposes of tax administration.

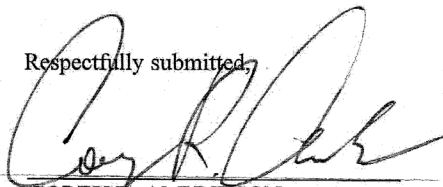
18 3. From in or about 2018 until in or about 2020, while Defendant was working on an  
19 IRS contract, he stole tax returns and return information associated with Public Official A and  
20 thousands of the nation's wealthiest people, including returns and return information dating back  
21 more than 15 years. He thereafter disclosed the tax information associated with Public Official A  
22 to News Organization 1 and the other tax information to News Organization 2. Both news  
23 organizations published numerous articles describing the tax information they obtained from the  
24 Defendant.  
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**TAX FORFEITURE ALLEGATION**  
**(28 U.S.C. § 2461(c); 26 U.S.C. § 7302)**

6. Paragraphs 1 through 5 of this Information are re-alleged and fully incorporated here by reference.

7. Pursuant to Title 28, United States Code, Section 2461(c) and Title 26, United States Code, Section 7302, the United States gives notice to Defendant **CHARLES EDWARD LITTLEJOHN**, that in the event of his conviction for the offense charged in this Information, all property he has used in violating the provisions of the internal revenue laws is subject to forfeiture.

Respectfully submitted,



COREY R. AMUNDSON  
Chief, Public Integrity Section  
Criminal Division  
U.S. Department of Justice

Lauren Castaldi  
Jonathan E. Jacobson  
Trial Attorneys  
Public Integrity Section  
United States Department of Justice  
1301 New York Ave. NW  
Washington, DC 20530  
Telephone: (202) 514-1412



# WHAT 2025 IRS FORM 1099MISC BOX 3 SHOWS

Same as 2020, 2021 & 2023 Tax Years Forms

TREASURY/IRS AND OMB USE ONLY DRAFT

☐ CORRECTED (if checked)

PAYER'S name			1 Rents	OMB No. 1545-0115	<b>Miscellaneous Information</b>  <b>Copy B</b>  <b>For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that you have not reported this income on your tax return.	
Street address		Room or suite no.	\$	Form <b>1099-</b>		
City or town		Telephone number	\$	For calendar year		
State or province		Country	3 Other income	4 Federal income tax withheld		
		ZIP or foreign postal code	\$	\$		
PAYER'S TIN		RECIPIENT'S TIN		5 Fishing boat proceeds		6 Medical and health care payments
				\$		\$
RECIPIENT'S name			7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient	8 Substitute payments in lieu of dividends or interest		
Street address		Apt. no.	9 Crop insurance proceeds	10 Gross proceeds paid to an attorney		
City or town			11 Fish purchased for resale	12 Section 409A deferrals		
State or province		Country	13a Cash tips	13b Treasury tipped occupation code		
		ZIP or foreign postal code	\$			
		FATCA filing requirement	14 Overtime compensation	15 Nonqualified deferred compensation		
			\$	\$		
Account number (see instructions)			16 State tax withheld	17 State/Payer's state no.	18 State income	
			\$		\$	
			\$		\$	

Form **1099-MISC** (Rev. 12-2026) (keep for your records) [www.irs.gov/Form1099MISC](http://www.irs.gov/Form1099MISC)

Department of the Treasury - Internal Revenue Service

# WHAT 2025 IRS FORM 1099MISC BOX 3 SHOWS ON THE BACK SIDE

TREASURY/IRS AND OMB USE ONLY DRAFT

## Instructions for Recipient

**Recipient's taxpayer identification number (TIN).** For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the payer has reported your complete TIN to the IRS.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**FATCA filing requirement.** If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its account reporting requirement under chapter 4 of the Internal Revenue Code. You may also have a filing requirement. See the Instructions for Form 8938.

**Amounts shown may be subject to self-employment (SE) tax.** Individuals should see the Instructions for Schedule SE (Form 1040). Corporations, fiduciaries, or partnerships must report the amounts on the appropriate line of their tax returns.

**Form 1099-MISC incorrect?** If this form is incorrect or has been issued in error, contact the payer. If you cannot get this form corrected, attach an explanation to your tax return and report your information correctly.

**Box 1.** Report rents from real estate on Schedule E (Form 1040). However, report rents on Schedule C (Form 1040) if you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business. See Pub. 527.

**Box 2.** Report royalties from oil, gas, or mineral properties; copyrights; and patents on Schedule E (Form 1040). However, report payments for a working interest as explained in the Schedule E (Form 1040) instructions. For royalties on timber, coal, and iron ore, see Pub. 544.

**Box 3.** Generally, report this amount on the "Other income" line of Schedule 1 (Form 1040) and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, **taxable damages**, Indian gaming profits, or other taxable income. See Pub. 525. If it is trade or business income, report this amount on Schedule C or F (Form 1040).

**Box 4.** Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold if you did not furnish your TIN. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

**Box 5.** Shows the amount paid to you as a fishing boat crew member by the operator, who considers you to be self-employed. Self-employed individuals must report this amount on Schedule C (Form 1040). See Pub. 334.

**Box 6.** For individuals, report on Schedule C (Form 1040).

**Box 7.** If checked, consumer products totaling \$5,000 or more were sold to you for resale, on a buy-sell, a deposit-commission, or other basis. Generally, report any income from your sale of these products on Schedule C (Form 1040).

**Box 8.** Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities. Report on the "Other income" line of Schedule 1 (Form 1040).

**Box 9.** Report this amount on Schedule F (Form 1040).

**Box 10.** Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

**Box 11.** Shows the amount of cash you received for the sale of fish if you are in the trade or business of catching fish.

**Box 12.** May show current year deferrals as a nonemployee under a nonqualified deferred compensation (NQDC) plan that is subject to the requirements of section 409A plus any earnings on current and prior year deferrals.

**Box 13a.** Shows the total amount of cash tips. This amount has been included in the amount reported in box 3. Use the amount in box 13a when determining the qualified tip deduction on Part II of Sch. 1-A (Form 1040).

**Box 13b.** Shows Treasury Occupation Code for your tipped occupation.

**Box 14.** Shows the total amount of overtime compensation. This amount has been included in the amount reported in box 3. Use the amount in box 14 when determining the qualified overtime compensation deduction on Part III of Sch. 1-A (Form 1040).

**Box 15.** Shows income as a nonemployee under an NQDC plan that does not meet the requirements of section 409A. Any amount included in box 12 that is currently taxable is also included in this box. Report this amount as income on your tax return. This income is also subject to a substantial additional tax to be reported on Form 1040, 1040-SR, or 1040-NR. See the instructions for your tax return.

**Boxes 16–18.** Show state or local income tax withheld from the payments.

**Future developments.** For the latest information about developments related to Form 1099-MISC and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/Form1099MISC](http://www.irs.gov/Form1099MISC).

**Free File Program.** Go to [www.irs.gov/FreeFile](http://www.irs.gov/FreeFile) to see if you qualify for no-cost online federal tax preparation, e-filing, and direct deposit or payment options.