

Exhibit 4

**The Loss of Chief Counsel Criminal Tax Division Attorney Notes
and Papers for Review of the Stonehill and Brooks Cases**

Exhibit 4(a)

March 15, 2001 Letter from R. Heggstad to C. Campell

LAW OFFICES
HEGGESTAD & WEISS, P.C.
A PROFESSIONAL CORPORATION
SUITE 600
1320 19TH STREET, N.W.
WASHINGTON, D.C. 20036

Robert B. Heggstad

(202) 289-8333
Facsimile (202) 289-8307

March 15, 2001

BY HAND

Catherine Campell
Manager, Headquarters Disclosure Office
CL:GLD:A2:HQD
1111 Constitution Ave, N.W.
Washington, D.C. 20224

Re: Request #99-12084-Robert P. Brooks and Harry S. Stonehill

Dear Ms. Campell:

On July 10, 1998, I filed an FOIA request for all information relating to Robert P. Brooks, Harry S. Stonehill and United States Tobacco Company. (Att. A) In response, after you had examined five (5) boxes containing documents or other records pertaining to my clients, you advised me that the request had been granted in full, "to the extent of the records in [your] possession," and provided copies of five documents to or from IRS agents, the Chief of the International Operations Branch and the Chief Counsel of the Internal Revenue Service ("IRS"), authored or sent during the time period August 1965 through November 1973. (Att. B)

On January 5, 1999, I requested that you "advise me as to whether the records I ha[d] requested were once in your possession and, [if so], where they [were] located...." I further requested that if the records had been moved, I be informed of when they were moved. Finally, to assist in the search, I enclosed several documents from the State Department which referred to documents authored by IRS employees and sent to United States agencies and requested that I be informed of where these documents were located.(Att. C)

I was advised on January 6, 1999 that the boxes which were reviewed "contained the Collection Administrative file and documented all efforts to collect U.S. Income taxes assessed against your clients" and that the documents that I had provided, authored or referring to IRS activities, did "not provide...information that would enable [the IRS] to locate additional records, if they exist, that are not in [IRS] possession at this time." You suggested that I file a new FOIA request with the Department of Justice "where the case was litigated...for a number of years" and that your office could be of no further assistance. (Att: D)

Catherine Campell
March 15, 2001
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On July 31, 1999, I appealed the IRS determination that it did not have "any knowledge of the location of the requested documents and the decision of the IRS to withhold documents or redacted material pertaining to the IRS in FBI documents. (Att. E) On October 29, 1999, the Chief of Disclosure Litigation responded to the appeal, reaffirming that "to the best of [y]our knowledge, these documents could not be located, and through conversations with appropriate Service employees, [you] believe[d] that these documents indeed [could] not be found." (Att. F)

On November 30, 2000, in response to litigation filed against the Tax Division of the Justice Department and the Federal Bureau of Investigation ("FBI"), we were provided with copies of approximately 1,846 documents from the Tax Division files relating to the Stonehill case. Included in this document production, were several hundred documents, many of which were authored by the Chief Counsel for the IRS International Operations Branch and by the IRS agents who directly participated in this case beginning with its inception in the late 50's and early 1960's through mid 1976 when a final decision was issued by the United States District Judge assigned to this case.


As you most likely know, this case has never been closed by the IRS or by the United States District Court in United States v. Harry S. Stonehill, et al. Civil No. 65-127-HW (D.C. C.D. Calif.). Because this case is an open case, the IRS documents relating to the taxpayers (other than from the Collection Administrative file), which would be responsive to the 1998 FOIA request, can be located and should be readily accessible in the Office of the Associate Chief Counsel, International Operations Branch. These documents should not have been destroyed because this is an open case and under any circumstance, files pertaining to this case would have been maintained by the IRS as permanent records pursuant to Internal Revenue Service document retention regulations.

To assist you in your search, I have enclosed copies of approximately 450 pages of documents obtained from the Tax Division which should also be available directly in IRS files and which are responsive to my 1998 FOIA request. Many of these documents reference attached IRS memoranda or other documents which were not found in the Tax Division files. I am requesting that you advise me within the next five business days, whether you will agree to produce or alternatively make available for review, documents relating to the Stonehill case which are located in the Office of the Associate Chief Counsel or any other location within the jurisdiction of the IRS where documents responsive to the FOIA request may have been relocated. Given the almost 5 years which have elapsed since the filing of this request and the age and poor health of my clients, who are now in their early 80's, I am requesting that every effort be made to expedite a response to this request. If a satisfactory response is not forthcoming, I intend to file a complaint in the United States District Court for the District of Columbia.

Catherine Campbell
March 15, 2001
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Please let me know whether there is any additional information that I can provide which would assist you in expediting this search.

Sincerely,



Robert B. Heggstad

Enclosures.
REH:lam

Exhibit 4(b)

October 16, 2001 Letter from R. Fultz to R. Heggstad



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

October 16, 2001

CC:INTL:RFultz

Robert E. Heggestad, Esq.
Suite 600
1320 19th Street, N.W.
Washington, D.C. 20036


Dear Mr. Heggestad:

Reference: FOIA Request dated March 15, 2001

It is my understanding that you have recently made an inquiry concerning the status of our review and production of additional documents that may be responsive to your FOIA request regarding Harry S. Stonehill and Robert P. Brooks. We have located an additional 86 boxes of documents that are in storage at the IRS facility located in Suitland, Maryland. We reviewed a sample of the boxes and determined that some of them contain documents responsive to your FOIA request. We cannot be sure, however, whether every box contains responsive documents without examining the contents of each.

We are in the process of having the documents transported to the National Office (approximately twenty boxes at a time) for review so that any documents that contain either privileged material or third party taxpayer information which is prohibited from disclosure under I.R.C. § 6103, can be withheld from disclosure. This review process has already begun and will continue on a regular basis until all of the documents have been reviewed. We intend to provide you with additional documents as we complete our review. You will be contacted by Carroll Field, HQ Disclosure Office, as soon as additional documents are ready for your review. We are working as expeditiously as possible given the number of documents.

Sincerely,


Richard D. Fultz
Special Counsel (CC:INTL)

cc: Carroll Field

Exhibit 4(c)

November 14, 202 Letter from C. Field to R. Heggestad



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Mr. Robert E. Heggestad
Heggestad & Weiss, P.C.
1320 19th Street, N.W., Suite 600
Washington, D.C. 20036

Person to Contact:
Carroll Field
Telephone Number:
(202) 622-5151
Refer Reply to:
CL:GLD:A2:HQD/20-2001-02632
Date: November 14, 2002

Dear Mr. Heggestad:

This is in reference to your March 15, 2001, Freedom of Information Act request that was submitted on behalf of your clients, Robert P. Brooks and Harry S. Stonehill.

Between July 31, 2001, and October 2, 2002, you have inspected all of the boxes of documents responsive to this FOIA request - eight boxes from the Office of Associate Chief Counsel (International), and 84 out of 86 boxes that were stored in the Federal Records Center located in Suitland, Maryland. The IRS Records Office has notified the Office of Associate Chief Counsel (International) that Boxes 17 and 83 are missing from the Federal Records Center.

Enclosed are the following documents:

1. List of documents withheld from Boxes 1 - 8, Office of Associate Chief Counsel (International). Tab 1 - 2 pages.
2. List of documents withheld from Boxes 1 - 86, Federal Records Center. Tab 2 - 13 pages.
3. Additional documents previously withheld from Boxes 1 - 8, Office of Associate Chief Counsel (International). Tab 3 - 166 pages.

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The Office of Associate Chief Counsel (International) is waiting on a reply from the Tax Attache in the Singapore office (which covers the Philippines) on whether the deportation hearings are public information. I will notify you as soon as I receive a response from that office.

Sincerely,



Carroll Field
Tax Law Specialist
HQ Disclosure Office
Badge No. 50-02306

Enclosures
Tab 1 – 3

Exhibit 4(d)

General Index Boxes of Stonehill Brooks Cases

General Index

For the contents of the boxes for the Stonehill and Brooks cases

- 1. Boxes 1 and 2 - Agents' reports and working papers } 25-27
- * 2. Boxes 3 through 8 - Special Agent Report exhibits that are not working papers or exhibits to the Lukban deposition. See Annex 5 for a description of the Special Agent Report exhibits } 47-53
- 3. Boxes 9 through 13 - Collateral investigative reports and exhibits that were not used in the Special Agent Report } 54-60
- 4. Boxes 14 through 16, - Manila investigative files and tape recordings } 28-31/42
16A and 16 B
- 5. Boxes 17 and 18 - Washington office files } 32-35
- 6. Boxes 19 through 25 - Witness files } 18-24 = 25 missing
- * 7. Boxes 26 through 30 - Lukban documents - Original exhibits for the General Jose Lukban deposition } 36-41
- * 8. Boxes 31 through 35 - Reserved for the original and one copy of the exhibits for General Jose Lukban deposition that remains in the Department of Justice files } 42-46
- 9. Boxes 36 and 37 - Seized documents in the RAR folders and categories } 45+46
- 10. Box 38 - Microfilm (Box 3 in CC vault.)
- 11. Boxes 39 through 52 - Xerox copies of the microfilm } 61-83
- 12. Box 53 - Chief Counsel Criminal Tax Division attorney notes and papers for the review of the Stonehill and Brooks cases } 16+17
- 13. Boxes 54 and 55 - Justice Department attorney files } 13-15
- 14. Eleven boxes of records and microfilm borrowed from the Manhattan District case files for Universal New York, Inc. and the collateral investigation for the Stonehill and Brooks cases. Boxes are separately numbered and designated "New York". } 1-12
- 15. Two Boxes - case NAT 319-OIO, 61-OIO-23-RFI, CC:EM:E-22 } 43+44
- 16. ~~Two~~ ^{THREE} Boxes in Chief Counsel's safe

*The original Lukban exhibits 18 through 125 were retained by Mr. Arthur Piggins, the trial attorney for the Department of Justice, to prepare for

Contents of Box 49 - Volumes 1 through 18 of the Universal New York, Inc. microfilm prints of the correspondence files

Contents of Box 50 - Volumes 19 through 33 of the Universal New York, Inc. microfilm prints of the correspondence files

Contents of Box 51 - Volumes 11 through 29 of the Universal New York, Inc. microfilm prints of the correspondence files

Contents of Box 52 - Volumes 1 through 10 and Volumes 30 through 44 of The Universal New York, Inc. microfilm prints of the correspondence files

Contents of Box 53 - Chief Counsel Criminal Tax Division attorney notes and papers for the review of the Stonehill and Brooks cases in preparation of the Chief Counsel memorandum dated May 20, 1966

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