

The background of the entire page is a faded, textured image of US currency. On the left side, there is a large, semi-transparent portrait of George Washington, likely from a one-dollar bill. The rest of the background is filled with various patterns and text from different US bills, including the words "FEDERAL RESERVE NOTE" and "ONE DOLLAR".

INVISIBLE MONEY, LOW-PROFILE BANKING, PRIVATE INVESTING

BY J.J.LUNA

THIS REPORT is based upon the author's own personal experiences over a long lifetime. The information is not only for the well-to-do. It will work for anyone, especially those of you who may have little at this time, but need to protect what little you have. As the years pass, you may end up with more money than you expected, and how fine it will be if you will have already put into practice the principles outlined in this book!

Invisible Money, Low-Profile Banking, Private Investing

by

JJ Luna

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It is also not intended for criminal purposes such as tax evasion or the hiding and transport of criminally obtained money.

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Chapter 1.

Invisible money when you travel

Perhaps you have already read my bestselling book, *How To Be Invisible*, described in Chapter 7. If so, then you know that I encourage the readers to pay cash whenever possible. Therefore—if you choose to follow this advice—you may at times have to temporarily carry large amounts of money on your person or in your car. The inherent problem with this is if you are robbed, you have the possibility of losing a much larger amount of money than the average person would normally carry. As long as you keep this information to yourself, you are in no greater danger than if you were carrying just a dollar and change.

In fact, if your attacker—perhaps desperate to get money for drugs—doesn't get enough for what he needs, he may beat you up in frustration. The solution to that problem is to always have some give-it-up cash available for the bad guys.

Note: I say “guys” because the vast majority of muggers, robbers and thieves are males between the ages of 15 and 34. (The sole exception is that women make up about half of those in the pickpocket profession.)

Invisible money on your person

When I used to hitchhike home from college, I carried a few one-dollar bills in my pocket and a \$20 bill in my shoe. Later, however, I began to carry larger bills in a money belt. For you men, any normal money belt—the kind with a zipper on the inside—will do.

Women, of course, can sew money-hiding pockets inside their bras, or keep a few bills in an elastic band around the thigh or in special panties that come with pockets. For those of you women who may require some protection as well, I recommend a Bowen belt knife (shown at right) with a zipper enclosure. In the pages to follow, I will discuss many more products, along with references to books and contacts. For information about how to obtain these items, or how to contact certain persons, see Chapter 7.



In 1972, the director of one of branches of *Banco Central* in southern Spain bragged to me about an experience that might be of interest to some of you readers:

“We had the equivalent of about 500,000 pesetas [\$16,500] tied up in Algerian dinars, and the currency was blocked. When you entered the country, you had to declare all foreign currency and when you left, you had to leave with less. I flew into Algeria with my wife, who at that time had long bushy hair. Once inside, we traded the dinars on the black market for large bills in pounds, marks, and dollars. My wife then had her hair cut very short, after which she had a special wig made with room for the currency between her head and the wig. We sailed through customs with no problem.”

Pockets

If you are any good with a needle and thread, you can attach some pockets about mid-way up on the inside of pants or jeans legs. Pockets can also be sewn into the armpit area of a shirt or jacket and the inside back of a coat. Pockets can go almost anywhere in clothing that aren't the usual places, so try to think up some good locations on your own. You can also have a tailor or sewing shop perform this for a nominal fee or find clothing specifically for this purpose by searching the internet.

Split your money up

Carry enough money in your billfold or your purse for normal purchases. If a knife ever gets waved in front of your face, hand over what money you have there, remembering that you have majority of your cash hidden elsewhere. Here is an interesting idea by travel writer Evelyn Hannon, who is also the editor of *Journeywoman*:

“In my backpack, I carry a plain school notebook that I've clearly labeled, *My Travel Notes*. This notebook gets quite dog-eared as I travel and that is a deliberate tactic on my part. I don't want anybody to think it has any value.

“So that I will never be without money, I tape five \$10.00 bills and an extra credit card to the inside cover of this notebook. Over it, I staple a copy of my itinerary which protects and hides this stash completely. Nobody ever suspects that there is money there and I sleep easier knowing that I always have a cash backup in case of foul play.”

Another solution is a give-it-up wallet. This is a wallet you carry with a small amount of cash, “fake” credit cards, and other junk as filler. Inactive store bought credit cards and the fake credit cards that come in the mail for credit offers are perfect for this purpose. You give the crook this wallet while your real money, credit card, etc is safely hidden in other locations on your person.

Invisible money in your car

I keep some easy-to-find money in the ash tray, enough to buy a tank of gas and a decent meal. An additional hundred is tucked away in the dash compartment in what appears to be a junk-mail envelope (available from the trash basket in any post office). The balance—if I am out to make a major purchase—is carried in a box in the trunk. It is usually inside a fake scratched-up JB Engine Degreaser can, wrapped in an oily rag and mixed in with a few tools and a six-cell MagLite flashlight.

Actually, the JB Engine Degreaser can is not a fake, since it was purchased from the supplier. However, it was subsequently remodeled. Type “can safe” on a Google search to find varieties of cans such as Pledge, Cruex, Desenex, Dr. Pepper, Pabst Blue Ribbon, Heinz Baked Beans, VP Spray Starch, Bon Ami, Ajax, Del Monte Mixed Vegetables, JB Radiator Stop-Leak, Barbasol, Scotch Guard, or STP Oil Treatment.

Incidentally, you can stuff a tall JB can with two rolls of \$100 bills totaling \$15,000, or two rolls of 500-euro bills worth nearly \$100,000!



When stopped by an officer of the law

Sad to say, money sometimes has to be hidden even from the traffic police (or from a trooper from the State Patrol, or a deputy from the Sheriff’s office). Why? Because some law enforcement agents maliciously assume that any large sum of money *must* have come from drug dealing. They will therefore take it away and will not give it back unless ordered to do so by a court.

Example number one:

On September 27, 2006, two men were traveling south on Interstate 85 when they were pulled over for following another vehicle too closely. Deputies from the Davidson County Sheriff’s Office searched the car (a search that may or may not have been legal) and discovered \$88,000 in cash. Although the men assured the deputies the money was legally theirs and was to be used to purchase a house in Atlanta, no one believed their story. No drugs were found. The two men were therefore not charged with any crime *but officers kept the money.*

Federal investigators arrived and took the cash in order to make a case in federal court that the money would fall under federal forfeiture laws. If a federal judge agrees with investigators, the Sheriff's Office will receive 75 percent (\$66,000) of the confiscated money. This will then make its way into the sheriff's office general fund. In the past, Davidson County Sheriff's Office has had positive results. In 2004 \$1.4 million was collected using this scheme, and \$1.6 million was collected in 2005.

As of October 1, the officers have brought in about \$400,000 for the year 2006. "It allows us to buy equipment without using taxpayers' money," said the sheriff.

Example number two:

On May 28, 2003, Nebraska State Patrol Trooper Chris Bigsby signaled Emiliano Gomez to pull over his rented Ford Taurus on Interstate 80. The trooper was questioning the frightened Gomez—who had a difficult time understanding English—when a second officer, Jason Brownell, pulled up and joined in. Brownell, who spoke some Spanish, asked for and received consent to search the car. Trooper Bigsby went directly to the rear passenger side of the vehicle and opened a cooler that was in the back seat, where he found a total of \$124,700 in currency. He immediately confiscated it and had a trained drug-sniffing dog brought in. The dog barked at both the rental car and the cash. Although no drugs were found, the police decided that the dog's behavior was enough evidence for keeping the money.

When this case went to court, associates of Gomez testified that they had pooled their life savings to purchase a refrigerated truck to start a produce business. Gomez had flown on a one-way ticket to Chicago to buy a truck, but it had been sold by the time he arrived. For that reason he was returning home with a rented car.

There was no evidence disputing Gomez's story. Furthermore, his entire story rings true. I currently deal with Mexicans on a daily basis and several things parallel Gomez's explanation. *One*, some of them are far better savers than the average American. They

work two or three jobs and spend almost nothing. *Two*, they often have no bank account in which to deposit their savings, so they keep them in cash. And *three*, it's a common practice to pool their savings with other Mexicans in order to get enough cash together to purchase a house, a car or a truck.

On August 18, 2006, a mind-boggling decision was handed down by United States Court of Appeals for the Eighth Circuit. The name of this case was not "United States of America v. Emiliano Gomez." Gomez was never accused, much less convicted, of any crime whatsoever. Rather, it was "United States of America v. \$124,700 in U.S. Currency, 05-3295." Apparently, *the money itself* was on trial. And since money has no rights to due process, it can be held indefinitely!

Note: A high percentage of U.S. currency has at some point been exposed to illegal drugs and will almost always cause a trained K9 to alert. The only practical protection against these dogs is to break money into manageable stacks and vacuum seal them inside plastic bags using a home food sealer.

Additional tips: Wash the sealed packages well to remove any residue from handling. Use a label machine or print on each sealed pack the owners name, amount inside, and what the intended use is for in case it is found or lost. Keep a list of the amounts you have, serial numbers of the bills, and any other information to prove the money is yours and was legally obtained.

Watch out for this question

When stopped for whatever reason, you will be asked for your license, registration, and proof of insurance. Later (whether you received a ticket or not), when it appears the officer is about to leave, he may suddenly say, "Would you mind if I asked you a few more questions?"

Think about this one very carefully before answering. If you say yes, the next question may be, "Are there any guns, drugs, explosives, or large amounts of money

anywhere in this vehicle?” And if that question makes you nervous, the officer may come up with another question:

“Are there any secret compartments in this vehicle?”

Little-known fact: In many states it is a felony to “be in possession of a false compartment in a vehicle for the purpose of transporting controlled substances for commercial purposes,” even though nothing is in the secret compartment at the time, and its actual purpose is unknown.

So then, never construct a false compartment in any of your vehicles. (It appears that can safes are not illegal because they are not an integral part of the vehicle.) In any event, I urge you to never use an automobile, motorcycle, SUV, pickup, truck, or motor home to move large sums of money on long trips. Why not?

It is just too dangerous. Even if you obey all the traffic laws and are never stopped by the police, some drunken driver may hit you or you could be caught in a 10-car pile-up on the Interstate. What if your vehicle is then hauled off by a tow truck to who-knows-where? Towed cars are often missing radios and other valuables when the owners come to pick them up. There is also the possibility of the car being carjacked or stolen.

As for an answer to the officer who wishes to ask “a few more questions:”

“With all due respect, officer, I consider myself to be a very private person. I never answer questions unless compelled to do so by law. Am I free to leave?”

For more information about how best to handle a traffic stop, see Appendix C.

Alternate ways to move large sums of cash

As long as you have a post office box or a secure street address, let Uncle Sam carry the cash for you. Assuming the amount to move is \$100,000, here are two suggestions.

Normal First Class mail

Obtain 67 business size (#10) envelopes and the same number of first class postage stamps. Pick up a magazine with lots of small pictures and price lists in the back. (Photography magazines are ideal.) Into each envelope insert 15 \$100 bills that are wrapped in one page from the magazine. This will weigh 27 grams which is just under one ounce. If possible, mail the envelopes from various locations over a period of days and—if available—to multiple addresses.

Air Express or Priority Mail

Use 11 flat-rate envelopes and enclose about \$9,000 in each one. If you use Air Express with a box number address, make sure check the box for *Waiver of Signature* and then sign on the line. That way it will go into your box or drawer rather than be held at the counter and then—if you are delayed in returning—sent back to the return address.

NOTE: US mail is protected under federal law by the US Postal Inspectors who have broad powers. Criminals tend not to mess with USPS mail due to this and to the stiff federal penalties involved. The only downside is that if an inspector does become suspicious for any reason, he can open your mail without your knowledge. Do your best, therefore, to use the proper postage and see to it that each envelope appears to be ordinary mail.

Courier services

If it were me, I'd probably split the money between snail mail, Priority Mail, the UPS and DHL. Not, however, FedEx. In fact, I never use FedEx for anything. To quote

from *The Financial Privacy Report* (Vol. XIV, no. 5, 2005), “Using the mantra of protecting ‘homeland security’ as an excuse, FedEx will now give the feds—FBI, Customs Inspectors, and Department of Homeland Security (DHS) officials—access to its database.... As if that’s not enough, FedEx is turning its 250,000 employees into snoops and stool pigeons, asking them to report ‘suspicious dealings.’” In fact, the FedEx employees can send any report of suspicious activities directly to DHS computers!

A better choice is—when possible—is to use one or more of the small obscure banks that are discussed in Chapter 3.

Why bother with large sums of cash at all?

One reason may be that you are saving up to buy a boat, a motorcycle, or a late-model vehicle from a private party for cash. Another is that you want some emergency money available at all times including nights, weekends and holidays. Or, you plan that if the banks ever close down after a terrorist attack, you’ll be able to help not only yourself but your close friends.

Whatever the reason, I think you will find the chapter to follow to be of unusual interest: *Invisible Money in Your Home*.

— — —

Chapter 2.

Invisible Money in Your Home



If you sometimes keep a fair amount of cash on hand, then you may be in danger from persons you allow into your home. This includes visiting relatives and friends, guests at a party, salesmen, repairmen, and babysitters. It may even include family members—a kleptomaniacal parent, a teen on drugs, or a spouse who attempts to exercise iron-fisted control over every dollar you spend.

Obviously, some of you readers will require a greater level of privacy than others. I refer to these stages in terms of one to five, where one is at a minimum level and five resembles Fort Knox.

Level One: Safe from an inside job

Can safes. These cans—discussed previously as a way to move money when you travel—are also a quick and easy way to hide cash in your home. Remember, however, that if you plan to hide money from someone who lives in your home, you must follow two rules.

First, when you order the can safes, use an address other than your own. (Perhaps a friend will let you use his or her address, or you can receive a package where you work.)

Second, follow the advice of Benjamin Franklin: “Three can keep a secret, if two of them are dead.” So not a word to anyone!

Here are some suggestions for the can safes that a housewife might use:

- *In the pantry:* Yuban coffee. Heinz Baked Beans.
- *Under the sink:* Bon Ami. Ajax.
- *In the laundry room:* VP Spray Starch. Scotch Guard. Pledge.

On the other hand, a husband might use something normally found in the garage, such as STP Oil Treatment or JB Radiator Stop-Leak. Or, if there is no garage, the cans might be kept in the box where he keeps his tools and supplies.

Table lamps or floor lamps. Most of them have hollow spaces that work well for hiding money. The trick is to fix the bottom so that it is normally covered, and yet can be opened to insert or remove money. One way is to glue thin piece of stiff cardboard over the base. However, since the cardboard will have to be torn to remove the currency, this method is best for cash that will not be needed unless an emergency comes up.

Drapes. Full-length drapes, with small lead weights sewn inside the bottom, work best. Insert the currency inside this seam.

Level Two: Safe from a normal in-and-out burglary

There is no such thing as a burglar-proof home that cannot be entered, or a security system that cannot be bypassed. However, the average burglar is inside a house for less

than ten minutes so your goal will be to keep your cash hidden for more—much more—than that length of time.

Burglars will almost invariably head straight for the master bedroom, so why not fortify that room with a solid-core door, a long-throw deadbolt, and reinforced hinges and strike plate? Even though most of your cash is not hidden there, an attempt to open this door will use up much of the time allowed for the search.

An additional deterrent is to have a cheap radio in the bedroom, turned to a talk station. Before bolting the door as you prepare to leave, turn on the radio. This may deter a burglar who thinks that someone is still at home.

If the burglar enters a bedroom where the door has *not* been secured, he will first check the underwear drawer, then the other drawers, and will look under the mattress. If he can find some cash in one of these places, he may just grab that and (hopefully) assume there is no more money to be had.

However, if he gives up on a reinforced door to the bedroom, he'll then check your refrigerator and your freezer. Although most burglars will not recognize a can safe, a few of the real pros have memorized the most common can safes that are on the market and they may do a fast search for them in the most logical places.

Alternates to the can safes

If you have a tightly-packed three-drawer file cabinet, use one or more of the file folders for holding the cash. Title them with dull names such as “old tax receipts” or “travel brochures.”

Or, if you have a lot of books, use a box cutter or a single-edge razor blade to cut the center out of some dull book you no longer want. (Outdated computer books or AAA

travel books are ideal for this.) Mix them in with others in your bookcase, or store them in a box of books kept out in the garage.

Need more ideas? Try hiding some bills inside window shades, water hoses, fuse boxes, fire-alarm bells, dog houses, abandoned plumbing fixtures, ironing board covers, plastic rolling pins, wall clocks, paper towel tubes, prescription bottles, clothes hampers, kitchen containers, wall phones, false-bottom band-aid boxes, clothespin bags, bed posts, upholstery, golf bags, toys, stuffed animals, board game boxes, false-bottom baby carriages, Christmas decorations boxes, trophies, or even in hollowed-out stairway posts.

Level Three: Safe from a routine search by the police

No matter how innocent you may be, your home could be targeted due to a false tip, an error in the address, or just plain stupidity. If you do a search on Google for “wrong address” in quotes, along with the word “police,” you will get over a hundred thousand hits.

- *Kansas:* A data entry typo on an IP address resulted in broadband provider Cox giving incorrect information to the police, who immediately went out and accused a completely innocent couple of being involved with child porn.
- *Wisconsin:* A SWAT team in Muskego descended on the home of Susan Wilson and forced her face-first into the pavement of her driveway at gunpoint while they searched her home. They had the wrong address . . .
- *Texas:* A glass door was shattered as a San Antonio SWAT unit fired tear gas canisters into an apartment and then stormed the residence occupied by three Hispanic men. It turned out to be a wrong address, even though the suspected residence had been under surveillance for 48 hours. Later, “Police blamed the error on the darkness and that the apartments were in a cluster of look-alike buildings.”

- *New York:* Heavily armed NYPD Emergency Service Unit cops smashed down a woman's door at 310 W. 143rd St., believing that guns and drugs were in the sixth-floor apartment. They found Alberta Spruill, 57, a beloved church member and longtime city employee, who was getting ready to go to work when the grenade went off about 6:10 a.m. -- creating a deafening boom and a blinding flash. Cops handcuffed Spruill, who cried as cops began probing her tidy, two-bedroom apartment. It turned out someone had written down the wrong address, but it was too late for Alberta Spruill. Less than two hours later she died from a heart attack.
- *Florida:* Daniel Clauson happened to look out his bathroom window Tuesday and noticed a man jimmying the door of an apartment next door with a butcher knife. He immediately called the Pinellas Park police to report what he thought was a burglary in progress. The police got mixed up and thought the burglary was at Clauson's address so they raced over to his apartment and knocked on the door. When he opened it, five officers entered it with their weapons drawn. They pulled him outside by his arms, placed him stomach-down at the entranceway of his home, and shot and killed his English bulldog . . .
- *Tennessee:* After hearing knocking at the door, John Adam's wife, Lorraine, went to answer. There was no reply when she asked for identification. Instead, the door was kicked in. Five officers stormed into the Adams home and immediately cuffed Lorraine. "I thought it was a home invasion," she said later, "so I yelled 'Baby, get your gun!'" John did, but when the cops rounded the corner into the room where he sat, they killed him with three shots. No drugs were found because the police had attacked the wrong house—even though there were only two dwellings on that block.

Most of the time, when police go to the wrong address, they do not shoot either the occupant or the dog. However, you may not be home when a SWAT (Special Weapons

and Tactics) team smashes in your door. Even if you are home, the police will search not only for large amounts of cash but for anything that would lead them to your financial records. They look for credit card information, passports, bank statements, computers, cell phones, and personal electronics.

Now is a good time to ask yourself, “If *our* home were searched at this very moment, what might the searchers find? And if the answer is, “More than we want them to find,” then give serious thought to the various ways in which you might hide such items in the future.

Level Four: Five rings of protection

Level Four will require either a new dwelling or an extensive remodel and works best with a home that has either a basement or a second story. It consists of five rings of protection, built to protect cash, precious coins, jewels, and secret records in filing cabinets and in laptop computers. (The best such home is virtually fireproof if constructed from concrete and steel.)

The construction plans for the new home or the extensive remodel will not, of course, show any secret room. Rather, the windowless room will be designated as a closet, a pantry, a storage room, or (in a basement) an unfinished area. It is only after the building has been finished and all inspections have been done that you call in a trusted carpenter to make the necessary changes.

This also applies to any hidden doors leading to an upper or lower level. The blueprints will show either a normal door or—most likely—no door at all.

The same principle applies, of course, if you choose a storage building, a separate office, a detached guest cottage, or even the



pilothouse of a 120 foot yacht. (Although a model is shown in the picture on the previous page, the space under the captain's steel-lined bunk is actually used for confidential files and records. When secured with magnetic locks, it would take a safecracker to get it open.)

And now for the rings of defense:

Ring One:

- Ring One is to encourage a burglar to choose some home other than yours, because:
- The grounds are well lighted, including automatic lights that are triggered by any movement.
- Someone appears to be home because lights (on timers) turn off and on at random times.
- A professional-appearing sign on the front lawn announces the presence of a security alarm.
- At least two closed-circuit TV cameras (fakes or not) can be seen overhead.
- All exterior doors have visible deadbolts in addition to the standard locks, and all windows and sliding doors are securely fastened.
- There are one or more signs on side or rear doors (not visible from the street) that have messages such as this:

PLEASE STOP!

ONE BURGLAR WHO ENTERED THIS HOME
WHILE WE WERE AWAY HAS ALREADY BEEN
BLINDED FOR LIFE BY A CHEMICAL SPRAY.
PLEASE DO NOT BECOME THE SECOND!

(Even though the burglar may correctly suspect that the warning is a fake, is he willing to take a chance? Or might he consider it prudent to attack a more inviting home elsewhere?)

Ring Two:

If a burglar manages to enter either the garage or the main level despite all *Ring One* safeguards, he will trip an almost invisible line. Then **BOOOOOOM!** from a blank 12 gauge shotgun shell!

Or, a trip wire may trigger a marine air horn with a continuous blast that can give the burglar a heart attack and set dogs to barking for blocks around. (May not be suitable if you have young children or pets running around.)

Ring Three:

If the burglar dismisses the ringing in his ears and pushes on, he will discover that every room in the house has a solid-core door, locked with a long-throw deadbolt. Does he have both the time and the tools to break into each room?

Even if he does, nothing of value will be found. To complicate things even further, he finds no trace of a door to either the basement or to the upper level.

Ring Four:

The stairway entrance will be disguised as a wall mirror, a bookcase, or a novelty shelf (as shown at the right). The lock will be magnetic and thus invisible. While at home, these secret doors can remain open but are to be closed before you lock up and leave.



In Ring Four, therefore, a burglar on the main level will find it almost impossible to locate the entrance to either the basement or the second floor. However, even if he does, he will once more be confronted with locked doors and yet another hidden entrance.

Ring Five

In the extremely unlikely chance that an intruder not only discovers the location of the secret room, but actually manages to open the fortified entrance, he will be faced with a fireproof safe that is either bolted to the wall or is too heavy to lift. (If the safe is not heavy enough, lead weights can be added inside in order to increase the weight.)

Let's review the five rings:

1. The burglar does not like the looks of the place so he moves on.
2. Or, if he does break in, he may be frightened away by the security system (if any) going off, or the blast of an air horn or the boom of a 12 gauge shotgun shell.
3. Or if he persists, he will find all the doors to be of solid-core construction and securely locked. Even if he does break into all the rooms (finding nothing of

value), he will still be unable to locate the stairway leading to either an upper or a lower level.

4. Or, if he does gain access to the basement or to the second floor, he will again face locked doors and there will be no indication of a secret room.
5. In the extremely unlikely event that he does locate and then smash his way into the secret room, he will be faced with a locked safe that is either bolted to the wall or is too heavy to lift. Game, set and match.

An interesting alternative

Some of you may feel that outside-the-home hiding places are the best by far. As one homeowner said, after seeing an advanced copy of this book, “I’ve taken my really precious valuables out of the house and buried them. Stealth and cunning will beat the most determined intruder!”

If you agree with him, and especially if you have a large fenced yard, go for it. To start with, purchase a small-diameter foot-long PVC pipe at your local home center, with a cap to act as a bottom (glued on with PVC adhesive). Get a screw-on top that will keep out the moisture, as long as it has a sealant on the threads. Dig the hole down deep enough so animals won't dig it up and then place a rock on top of it before you cover it up with dirt. Make sure to draw up an accurate map as to the location and keep the map in a safe place.

What to hide in addition to money

Diaries: If you keep a personal diary that others must not read, where is it right now? Is it safe from in-laws, baby sitters, parents, children, or random thieves? Might you need a better place to keep it?

Laptop computers: These are not only most inviting to burglars but are one of the first things picked up if the police have a warrant. What some do—and I recommend this highly—is to have a secret hiding place in the same room where the computer is used. Any half-way decent carpenter can cut a hole in the sheet-rock, install a shelf between the studs, and cover it with a mirror, a picture, or a magazine rack. Should there be a suspiciously loud knock at the door, the laptop can be snapped shut and popped into the niche in a matter of seconds.



In the illustration above, two laptops are concealed behind the rack, with room left over for a third laptop and several cell phones. The back wall of this simple unit *also opens into an adjoining room*, so it can be accessed from either location.

Another solution for computer protection might be to have an external hard drive or USB Flash Drive for important information. A searcher might grab your laptop but miss the external drives which would remain safely hidden. The external drives are also easy to carry when traveling, or if for any reason you must leave quickly.

You will read more about protecting your laptop in Chapter 3, subheading *How to keep your account private*.

Address books: Make your own decision about whether or not you need to protect your address book, but if you have any daughters living away from home who have been stalked, here is something to consider:

The best way to lose a stalker is to move. Even then, however, some stalkers—knowing where the victim's parents live—have broken into the parents' homes in pursuit

of their address book, convinced that the parents will have their daughter's new telephone number and perhaps even her new address!

Cell phones: Remember back in early 2005, when Paris Hilton's Mobile Sidekick II was hacked? The perpetrator then posted her personal notes, topless photos, and the heretofore confidential phone numbers of celebrities and movie stars on the Internet. What would *your* cell phone reveal, if it were stolen or confiscated?

Preparations for an unexpected death

If you are young, you may feel that death is not a concern. Or, if you are married and getting on in years, you may feel confident that one of you will go first and the surviving spouse will carry on. However, couples die together on the highway every day and complete families have been wiped out in head-on collisions, so a list should be kept somewhere for all the hiding places, for the executor for your estate.

In fact, you, you may wish to mail the executor a sealed envelope showing the various locations of hidden cash. (The amounts need not be revealed, or can be listed at a fraction of the true value.) Or, keep the list along with your living trust and will in a secure location, such as in a file cabinet in your secret room.

What about a bank account?

Although hundred of thousands of people in both Europe and the Americas operate with cash alone, for most of us this is far too inconvenient. We won't want to buy money orders for all the utility bills, and we need a credit card in order to reserve hotel rooms and rent automobiles. In addition, we may have cash reserves running into six figures and wish to keep at least part of it in CDs where interest will be earned. The next chapter, therefore, is all about bank accounts.

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Chapter 3.

Low-Profile Banking



First Bank, pictured above, is located in Petersburg, a small town on Mitkof Island in southeastern Alaska. It is one of the few branches of a small state bank based in Ketchikan. The red sign in the distance (seen above First Bank's roofline on the right) marks "Wells Fargo," a bank with more than 3,000 locations nationwide.

Both have their place.

Credit card accounts

Most of you readers will already be banking with a credit union or one of the big banks such as Wells Fargo or Bank of America, or with a money market account in a brokerage such as Merrill Lynch. It may be a good idea to keep that account. Why?

One reason is that you may have opened the account long ago, when requirements were not as strict. For example, some of the older accounts are in merely a first and last name. This is in contrast to current regulations which require every signer's *complete* name as shown on the passport and the drivers' license.

Also, this may be the brokerage or bank that originally issued you your credit card, and you need the credit card for when you travel. What you do not need, however, is a large balance in that account—a subject that we'll get to shortly.

Now, however, is the time to make sure that they do *not* have your land-line telephone number or your true home address. If the bank does have that information, why not change it? You can always explain that you've moved or are about to move. Give them an alternate or "ghost" address (as outlined in *How To Be Invisible*) and a cell phone number or a number obtained on the Internet. (If you can get by with a Seattle, Washington number, by all means obtain a free phone/fax number at K7.net. Otherwise, a search on the Internet will bring up other phone-number suppliers who charge a small monthly sum that is well worth the price.)

If you can avoid going into the bank in person, then all the better. Here is an example of Joe Public who presently banks at the Union Bank in Sunnyvale, California.

1. He buys a prepaid cell phone for cash.
2. He obtains an alternate or "ghost" address for receiving mail.
3. He then goes to the bank—or sends them a letter—with the new information.
4. New checks are ordered (perhaps by mail), preferably with no printed address but if necessary, just with a first initial, last name, city and state.
5. From that point on, whenever possible, he will never write a check that will reveal his true home address.
6. If he has more than a few thousand dollars in this account, he will make arrangements to secretly move the extra amount to another bank or banks.

Moving money secretly

For a relatively small account, you may be able to withdraw about \$2,500 at a time, spaced over a few months, and deposit it in a new bank in differing amounts. However, this is not advisable for accounts in the tens of thousands of dollars. First the problem. Then we'll discuss a solution.

Let's say the aforementioned Joe Public has a total of \$100,000 in Union bank. He decides to leave just \$5,000 in his checking account and distribute the remaining \$95,000 as follows:

- \$15,500 in cash
- \$9,500 to a Canadian bank (See Appendix A)
- \$40,000 to a small private bank in state A
- \$30,000 to a small private bank in state B

The above may not apply to your particular case but remember, this is just an example. Joe wants the Canadian account because it is almost untraceable. The present account with Union is for paying small personal items. A debit or a credit card is tied into this bank and is the only credit card Joe will use in the future. State A will hold the money for short-term real estate loans that he plans to make, and the State B account is for hiding a \$30,000 Certificate of Deposit. (More information on small banks will be forthcoming. Wait for it.)

Obviously, Joe will not have any checks or transfers made to the other banks from Union because if he did so, then Union bank would have a record of where all the money

went. In addition, the banks in states A and B and in Canada could have a record of where the money came from.

The best way for Joe to solve this problem is to work with his present lawyer. The entire \$95,000 might go into an attorney-client trust account, an individual title-holding trust account, or an LLC account with the law office as the trustee. All distributions would then be made from this account. (Sorry to say, all interest earned while the money is in the lawyer's account will go to the State Bar rather than to you.)

Why a small bank in a faraway state?

Joe Public, one year later. Consider this example from the viewpoint of a law firm that hires a private investigator to search for Joe's assets. The lawsuit happens to be completely frivolous but no matter. If at least \$25,000 can be found, they will make some money on this because it will be cheaper for Joe to just pay them, rather than do battle in court. To get this information, they authorize a PI to spend up to \$1,500 for a quick search.

The PI's first step is to check with the credit-reporting agencies because that alone may bring up all the information he needs. However, in this case, the only account that shows up will be the low-balance account at Union Bank.

Next, the investigator runs a search for a brokerage account because these can be searched nationwide. (There will be no results because Joe does not play the stock market.) Also, the PI will search for any bank account that Joe may have in the state of California. (Bank searches are state by state.) No result? He will then search the main banks in the bordering states: Oregon, Nevada, and Arizona. Nada? The investigator goes back to the law firm.

Are they willing to pay thousands of dollars more, for a search of all 50 states and the District of Columbia? (Canada is not mentioned because PIs almost never search

Canada. In addition to being unlikely, searches up north are by Canadian national insurance numbers which of course Americans do not have.)

No, a national search would be too expensive, and even then might produce no results because small banks are often overlooked. The lawyers call it quits.

Summary: As long as a new bank account is not connected with *a loan, a credit card, or used with an ATM*, the credit agencies will have no information on record for such accounts. Further, even if a search of states A and B *were* made, there is a better-than-average chance that a low-profile account in a small bank will never show up.

How to find a small state bank

Get on the Internet and search. You'll be amazed at how many small banks are listed in some states. For example, go to <http://montanabankers.com/member.asp>. Count the state banks only. Would you believe that there are 54 different small banks in Montana, ten of which do not even list a website?

Or perhaps you already have a certain small town in mind. In that case, go to <http://www.bankingdetail.com/search.asp?type=bc> and enter the state and then the town. A list of all banks in that town will come up and you can then check them out, one by one.

How to open an account

Thanks (?) to the Patriot Act, you will have to show up in person. The bank will require two forms of ID, usually a passport and a driver's license. Further, you will need a good reason as to why you've chosen this particular bank when your driver's license shows you live a thousand miles away.

Example: You wish to open an account in the State Bank of Concrete, in the tiny village of Concrete, Washington. You might say:

- “I travel in this area on business and I prefer the attention given by a smaller bank.
- “We have friends in the area and we often come up to camp and fish along the river.”
- “We are planning to retire to this area in the next year or so, and we’d like to get started now with a local bank account.”
- “I invest in vacation homes in various areas and I always like to do business with a local bank. Here in Concrete, I’m told that there’s a temporary lull in the market and ...” (However, if you chose this route, first check with local real estate agents so you don’t sound like a dimwit when you go to the bank.)

Beware of the “Suspicious Activity Report”

A Suspicious Activity Report (SAR) must be filed for any transaction of \$5,000 or more if it is deemed to be suspicious. This includes deposits, withdrawals, transfers, loans, or even the purchase of a CD. And what is meant by “suspicious?”

Suspicious motive:

This could be anything that seems abnormal to the clerk. An example would a change from your usual pattern, one that you do not explain and the clerk does not understand. Another might be a question you ask, such as how much cash you can deposit or withdraw without having to fill out a report. (Never ask!)

Suspicious behavior:

Suspicious behavior includes but is not limited to stuttering, speaking rapidly, hesitating, covering your mouth, fidgeting , or failing to make eye contact. It also includes being overly friendly, so be polite but professional.

What if you are told that you must file a Currency Transaction Report (CTR)?

For any cash deposit or withdrawal over \$10,000, Form 4789 (Currency Transaction Report) is required to be filed. Most of us manage to avoid any transaction that calls for a CTR, but if the occasion does warrant it, I see no particular danger in filing one. That would be far better than suddenly canceling a request because that *would* be deemed suspicious. Remember, untold millions of these forms are filed annually. I doubt that any of them are ever checked out unless you are already in trouble with a questionable tax return or a possible fraud.

How to keep your account private

Many banks encourage their customers to keep their records online and/or to receive their statements via e-mail. However, computer criminals are becoming increasingly proficient at writing trojan horse programs and keyloggers that steal passwords and account information. Personally, I do not bank online. The thieves are getting smarter, and website backups and e-mail records are kept for years and years. Mistakes are made. Things happen.

In fact, if there is very little activity in your small-bank account, it's best to not enter a single reference to this account in your computer. If you keep your statements at all, keep them in a secure hiding place in your home, one that will not show up even if your home should someday be searched. (Remember, the searcher could be a guest, a relative or even your mate!)

Desktop computers:

Given the advances made in recent years, there is no longer any reason to chose a desktop over a laptop computer. For purposes of privacy and security, I recommend laptops only, even if you never travel at all.

Laptop computers:

As for those of you who feel compelled to keep *all* your records in an accounting program such as Quicken or QuickBooks, at least keep them on a laptop computer that is not connected with the Internet. Also, remember that in addition to being one of the first things picked up in a police search, hundreds of thousands of laptops are stolen each year. They are stolen from homes, cars, offices, hotel rooms, and even from trays at airport security check points. Every time you set your laptop down, whether at an airport check-in counter or in a public restroom, you are in danger of having your laptop stolen—and with it, all your secrets.

Border crossings:

Civil liberties do not extend to border crossings. On July 24, 2006, a unanimous three-judge panel of the 9th US Circuit Court of Appeals ruled that U.S. Customs agents may conduct warrantless, random searches of travelers' laptops *regardless of reasonable suspicion or probable cause!*

Keep a separate laptop, therefore, for border crossings, one that contains no information about your bank accounts nor any other sensitive information. If you do require access to certain files, keep them on a USB flash drive. The memory ranges are up to 4 GB or more and due to their small size they are extremely easy to hide. Even better, mail the flash drive ahead of time to an address at your destination.

Purpose of the visit: When you cross into Canada, for example, you will likely be asked, “What is the purpose of your visit?” Don’t lie to the agents (they are professionals when it comes to spotting liars), but don’t blab everything you know, either! If you are crossing the border with cash to deposit in your Canadian bank, think of some other purpose as well and then follow through. In that way, you will also have something truthful to say to the U.S. agent upon your return.

For a bad example, consider a short trip into Canada by one of my consulting clients. I’ll call him Mike, which is not his real name. He had arranged to meet me in Abbotsford, British Columbia, just across the border from Sumas, Washington. Mike, who had never been to Canada before, was totally unprepared when the agent asked him about the purpose of his visit.

“I’m meeting a consultant,” he said, “up in Abbotsford.”

“Where in Abbotsford?”

“Uh, I’m supposed to meet him at McDonalds.”

“Who’s the consultant, and where does he live?”

“He’s an author named Luna but I’ve never met him. I don’t know where he lives.”

Mike was now showing signs of nervousness so the agent sent him on to the dreaded “secondary inspection.” In order to prove that he really did have an appointment with me, Mike had to boot up his computer and show them the arrangements we had made via e-mail. Forty minutes passed before they let him go.

“Next time,” Mike asked me, after checking into a motel along Trans-Canada Highway 1, “what do you suggest I say?”

“Well Mike, you like outdoor sports, right? Clipper Canoes are made right here in Abbotsford, so why not say you’re heading up look at canoes? Decide beforehand that you really will stop by there, and memorize the address. When you prepare beforehand to tell the truth—partial though that may be—it will keep you calm.” (I speak from experience.)

Encryption: To customs officials, encryption means that you have something to hide. They will then insist that you give them the password. I’ve heard of at least one instance in which a customs agent demanded an e-mail password so the officer could examine the individual’s complete e-mail correspondence going back for years!

Special warning regarding traffic tickets or court fines

This comes from an instructor who teaches in a school for private investigators:

“I have found many bank accounts by looking at the public Civil Records at the county level. This doesn't involve contacting the financial institution at all, nor does the size of the bank matter. The account can even be in a faraway state and here’s why: If the Subject has been involved in a court case in which they have written a check and it is copied and added to the file as evidence, I’ve got 'em!”

Moral: Never use a check from a low-profile bank account to pay for traffic tickets, court fines, or any other court-ordered payments, because these will be copied front and back for the file and be available for public viewing.

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Chapter 4.

Invisible Investments

By invisible investments, I mean earning a safe and steady 10 to 12 percent interest on your money without this information being available to private investigators or anyone else other than the IRS and—if there is an income tax in your state—the state tax authorities. What I have to say in this chapter is based upon my own experiences over the past 35 years. It involves both options and secured short-term loans. It does not include the stock market, and here's one reason why:

What about an anonymous account for stocks, bonds, or mutual funds?

Rather than answer this myself, I put the above question to a New York stockbroker friend. Here is the answer in his own words:

I am (as you know) a stockbroker. I have been so for 45 years. I am with a major Wall Street firm. Since the events of 9/11, things have changed. To open any account, I am now required to obtain your Social Security number. This number must be verified. If it doesn't match our data base, the account will be terminated.

It does not matter if it is an individual account or a corporate account or an LLC account with a tax ID number. I still need to know the owner of the entity and his Social Security number. I will also need a copy of his driver's license, his home telephone number, and his true address.

We will not accept PO boxes in lieu of a home address. When we are given a street address we will Google it or Zillow it for location verification. If the street address is for a business account, we will Google it to verify it is a actual building with offices, which is very easy to do. (We recently closed a seven-figure account because his address turned out to be a Mail Box Etc. location.)

We will not give people who lie to us a second chance. The industry is under too much scrutiny by the NASD, SEC, and State Attorney General offices.

As for nominee accounts, they just don't work. If "John" opens an account I can only take orders from "John" unless he gives "Power of Attorney" to "Henry". Then I must meet "Henry" in person and I will call for his Social Security number, home address, and so on.

So then, if anyone wishes to invest in stocks, bonds, or mutual funds, he (or she) must be prepared to give us complete and accurate information. *We must know everything.*

However, even before the events of 9/11, I did not invest in the stock market. I prefer to make investments where I myself am in control. As author Seth Godin says, in his new book *Small is the New Big*, "The stock market is a huge mass-psychology scam, depending on the fiction that there will always be someone more stupid than you, willing to buy those shares for more than you paid. A key part of this scam is investors' embracing the idea that big companies with predicable earnings are likely to continue to grow and thrive. This used to be true, of course, but in a chaotic world, it's proven wrong every day."

I recommend, therefore, that you handle your investments on your own. This often involves the use of an LLC, so let's discuss those next.

New Mexico limited liability companies

The tremendous advantages of using NM LLCs are outlined in detail in *How To Be Invisible*. They are relatively easy to form, very economical (providing you use the Organizer listed in Chapter 7), and totally private. Your name does not appear on the Articles of Incorporation, or on any future annual forms for the astonishing reason that New Mexico does not have an arrangement for LLC annual reports!

I keep a stack of these on hand and use a different one for each purchase where a title is required. This includes but is not limited to real estate, motor vehicles, boats, and travel trailers. They are also ideal for offers and options, although not for banking. (There is no privacy advantage in banking because the bank will still require all the personal data of each signer.)

Options

These are used in connection with real estate and involve both *Options to Purchase* and *Lease Options*. How they can be used to maintain privacy is best illustrated by two examples:

Lease option

In 1977, my wife and I planned to move from Las Palmas de Gran Canaria to Gran Tarajal on the island of Fuerteventura. At that time, certain areas of that island were opening up to European tourism and prices were starting to rise. We preferred not to make any purchases, however, because we would only be there for a year and we did not want our names to be on a public register.

We quickly discovered that there was nothing suitable for rent, at any price, in Gran Tarajal—a town that was as yet untouched by the building boom. We did run across an excellent apartment overlooking a black-sand beach but it was for sale, not for rent. However, since Gran Tarajal was not located in the tourist areas further to the south, where new hotels were going up along the white sand beaches, the owner was not getting any offers. With that in mind, we met with him.

Our offer was for a one-year option along with a generous monthly rental payment. We assured him that the apartment would almost certainly be purchased at his asking price at the end of the year. When he accepted our offer, we had an attorney draw up a private contract in the name of J. Luna *or assigns*, paid the owner 50,000 pesetas for the option plus the first month's rent, and moved in.

At the end of that year, prices had risen enough in the tourist area to send a few European tourists to less touristy areas, including Gran Tarajal. We put "FOR SALE"

signs in the apartment windows and within a week we sold the option to a man from Amsterdam for 100,000 pesetas, cash. (He in turn purchased the apartment from the owner at the price listed in the option.) Since the option was a private contract, my name never showed up in any database or registry.

Option to purchase

In the fall of 2002, two years after 82 choice half-acre upscale building lots had gone on the market in the Pacific Northwest, we decided that the time had come to make an offer. Only half a dozen homes had been built so far, but prospective buyers were beginning to check out these home sites with spectacular views. The main problem was that most of the lots were extremely steep, making them costly to build on. We chose one of the least-steep lots with a clear view of the valley below and arranged for an option to purchase for the fixed price of \$95,000, renewable for two years. This time, the option was in the name of a New Mexico limited liability company (NM LLC). Here are the figures:

October 2002, purchased a one-year option for:	\$5,000
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October 2003, renewed the option for the second year:	\$5,000
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October 2004, renewed the option for the third year	\$5,000
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August 2005, sold the option for \$23,000.

Why would anyone pay \$23,000 for my option? Remember, the original price of \$95,000 was locked in. However, nearly three years later, all the better lots had been sold, so this remaining one was worth at least \$135,000 (a gain of \$40,000). However, the buyer of the option was thus able to purchase the lot for only \$120,000 (\$25,000 plus \$95,000), a savings to him of at least \$15,000.

As for the interest on our annual investment, the original plan was to earn a minimum of 18 percent per year, as shown here:

\$5,000 the first year, at 18 percent:	\$900
\$10,000 the second year, at 18 percent:	\$1,800
\$15,000 the third year, at 18 percent:	\$2,700

In other words, to meet our goal of 18 percent per year, we would have to sell this option at the end of three years for my \$15,000 investment plus \$5,400, or \$20,400. Since it was actually sold for \$23,000, it worked out well for both buyer and seller. My name was kept out of it and we had no taxes to pay nor any annual fees to the homeowner's association because those were charged to the actual owners of the land. (Options can be risky, of course, especially if you have no experience in the real estate field. Should such be the case, do not invest more than you can afford to lose.)

Summary: It is not all that hard to earn one percent per month on even a small investment such as the one above. It is even easier with larger amounts, as shown in this next section:

Invisible Triple-S investments in real estate

For private and trouble-free investing, it's hard to beat short-term interest-only real estate loans. The way to find them is to work with one or more savvy brokers. In my own case, I charge two points if the loan is to the broker himself, and four points if it is to one of his clients. I charge interest only, payable monthly, at the rate of one percent per month. (Note: points and interest rates are not connected. Each point is one percent of the loan, paid at the time of the loan. See the details of the \$180,000 loan below, with two points and one-percent per month interest.)

That makes for easy bookkeeping as well as easy calculating. All you do is move the decimal point two spaces to the left. (If the loan is for \$40,000, the monthly payments are \$400. If for \$97,000, \$970 a month. If for \$500,000, \$5,000 a month.) The time period can range from six months to as long as three or four years.

I never charge a penalty for early repayment because the more often the loans are turned over, the more points can be earned.

However, you may wonder why a borrower would pay 12 percent interest, when banks make loans for much less. Here are three reasons:

- *S is for Simplicity.* Banks require an appraisal, paperwork, and general red tape that many buyers prefer to avoid, especially if the loan is for just a short time. All I require is a contract, a note, and a registered mortgage (which the broker files for me).
- *S is for Security.* If a buyer needs to make a fast offer on a property that just comes on the market, he needs to be positive that a loan will be forthcoming. With a bank, and especially if he has a number of other loans on the books already, there is always the chance that a loan will be refused. In contrast—and especially if I have worked with the buyer before—if I say yes when he calls, then he knows that if needed, he has a done deal.
- *S is for Speed.* This is where you can beat any bank hands down. If you have confidence in the person to whom you are lending the money, as well as knowledge of the real estate market in your area, you can make a loan within an hour of the phone call.

An example of simplicity, security, and speed

The call came just before three in the afternoon of March 7, 2003. It was from Joe D—, a broker that I had worked with before, making bridge loans for buyers who had to sell their present home in order to complete the purchase of a new one. Joe had just learned via a friend of a new listing with another agency. Joe knew the house and that it was just what both he and his wife had been looking for. It was in a great country location and the asking price—\$195,000—was below the market. Word was getting around fast.

“I need a check for \$35,000 right now,” he shouted, “and another \$145,000 in thirty days. The house is worth \$230,000 if not more, and it’s for Linda and me so there’s no chance of any default. Okay, buddy?”

I grabbed my check book and was in Joe’s office in 20 minutes. Clutching my \$35,000 check and his own check for \$15,000 (which was all he could spare at the moment), he raced over to the office that had the listing, plunked down the \$50,000 and signed a contract. Three more offers came in right before six that afternoon, two of them for more than the asking price, but Joe got the house. Since he was already into the local banks for a number of other loans, two years passed before he qualified for re-financing his new home. Here are the details.

My loan, in return for a first mortgage (using a NM LLC):	\$180,000
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Two points:	\$3,600
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24 payments of \$1,800	\$43,000
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Joe therefore paid—and I received—a total of \$46,600. I was happy and so was Joe because by the time he paid me off with a bank loan, his house was appraised at \$268,000. A win-win situation, as usual, for both of us. I have made a number of loans through Joe’s agency, always at one percent per month, and I’ve never lost a dollar. I receive one or more checks made out to “J. Luna” each month, drawn on a local bank. (I cash them at the buyer’s bank since we live on a cash basis most of the time.)

Alternate fields for short-term secured loans

You may prefer some other category than real estate and if that works well for you, go for it.

However, take care. In Carson City, Nevada, I once lent some money to a man with a Ford truck, and also to a woman with a Cadillac and a Chevy van. All had clear titles and I kept the titles for security.

The guy with the truck immediately took off for some other state and was never heard from again. The old gal with the Cadillac went to the DMV, swore she lost her title, and got a new one. As for the van, she gave it to a nephew who refused to pay a dime, and when I had it repossessed, she had a lawyer threaten to sue me because her nephew had been “gravely injured” when the truck was grabbed.

The lawyer’s threat went nowhere because the nephew didn’t have a scratch on him, and I eventually sorted out the duplicate title on the Cadillac. What I gained on those two loans, however, was not money but experience. I pass it on to you:

“Never lend money on anything with wheels, unless the item with wheels is in your possession and is stored behind a locked fence or door. The same goes for anything having a propeller, be it a boat, a plane, or a helicopter.”

Until now, I have been discussing normal loans, made either in your own name, your spouse’s name, or in the name of a New Mexico LLC. However, here is another option, one that has served me well:

Charitable remainder unitrusts

Charitable giving can be the answer to your income needs. Not only can you benefit yourself but you can save a bundle on taxes and leave behind a legacy. A Charitable

Remainder Unitrust (CRUT) is an irrevocable trust designed to convert an investor's highly appreciated assets into a lifetime income stream without generating estate and capital gains taxes. Up to 10 percent of the trust's income can be withdrawn each year. CRUT's have become very popular in recent years because they not only represent a valuable tax-advantaged investment, but also enable you to provide a gift to one or more charities that have special meaning to you.

Here's an example of how one of my clients used such a trust. To protect his privacy I've changed a few details and will refer to him only as Dave. Some 25 years ago, Dave paid \$45,000 for a small rental property sitting on four acres that bordered a two-lane highway some 15 miles from the outskirts of a mid-sized city. As the city expanded and the years passed, zoning laws were changed and the highway was upgraded to four lanes. Dave began to receive higher and higher offers to sell the property because the land was now worth far more than the old house. Three years ago, when a long-term renter finally moved out, Dave decided to sell.

However, *before* (repeat, BEFORE) putting the property on the market, he consulted an attorney who specialized in CRUTs. The attorney's first question was, "Do you plan to leave any money to a charity when you die?" The answer was yes. Dave planned to leave a substantial sum to a recognized religious organization. The attorney then worked with Dave, who followed these steps:

1. A charitable remainder unitrust was formed in the name of *Grass Valley Charitable Remainder Unitrust*, with Dave as one trustee and the lawyer as the other. A religious organization recognized by the IRS was named as the beneficiary of the trust.
2. The property was then transferred to the trust and the trust obtained its own tax identification number.

3. The trust then advertised the property. A group of investors purchased it for \$395,000. A bank account was opened, and the money was deposited in a new trust account.

4. *The \$350,000 gain was tax free to the trust.*

5. Dave received a sizeable deduction on both his state and federal tax returns because of his charitable donation to the trust.

Dave, as one of the trustees, now uses the trust fund account to make a series of interest-only real estate loans with the help of a broker friend. Since the rate is one percent per month and he keeps an average of \$350,000 out on loans, his average annual income from the trust is more than the 10 percent maximum interest that can be withdrawn from the trust. (Any extra income merely increases the size of the trust account.) Providing Dave continues with his loans as before, he will receive this income of \$35,000 as long as he lives, and if his wife lives longer, she will receive the income until she dies. Only then will the assets of the trust be transferred to the religious organization. (All other assets and insurance from the estate will, of course, pass on to the children.)

Remember, when Dave's property was transferred to the trust, it was no longer his. The principal is therefore out of the reach of creditors, sue-happy lawyers, or anyone else.

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Chapter 5.

Safeguards for Your Privacy

Cover the paragraph below this list of names. Then see how many names you recognize. Which of these names does not belong on the Forbes list of the 50 richest Americans?

Steve Jobs

Warren Buffet

Sumner Redstone

Kirk Kerkorian

Philip Anschutz

Michael Dell

Bill Gates

Jim Walton

Actually, all of the above are on the Forbes list of the 50 richest Americans, but many who take this quiz think that “Philip Anschutz” must be the name that does not belong. Why? Because the multi-billionaire goes to unusual lengths to keep his private life private. According to the *Los Angeles Times*, “Anschutz does not have an office computer or e-mail account and routinely destroys his appointment calendars. In addition, all e-mail messages sent through Anschutz's secretary and all electronic calendar entries are permanently destroyed . . . [He] does not carry a cell phone.”

Although few of us are willing to do without a cell phone, we can imitate Anschutz in many ways.

How to keep your secrets secret

Here's another quote from Benjamin Franklin: "If you would keep your secret from an enemy, tell it not to a friend." Words to live by. Do not tell your friends and relatives about any of the following:

- How much cash you carry or keep on hand
- Where your secret hiding places are
- How many bank accounts you have, and where you have them

In fact, I've found it to be best not to mention that you have any secrets at all. That will keep your friends and neighbors from gossiping about what you are hiding and why you are hiding it.

What never to write in an e-mail

New York governor Eliot Spitzer once advised, "Never write when you can talk. Never talk when you can nod. And never put anything in an e-mail."

A friend of ours has a telephone in his living room that guests sometimes ask to use. When they go to pick up the receiver they see a small yellow sign mounted over the telephone that says in bold black letters:

**THIS TELEPHONE
IS TAPPED BY
THE FBI.**

It probably isn't (although these days, who knows?), but the guests thus receive a reminder to use common sense. The same applies to e-mail. If you'd like to post a little sign over the family computer, here's one that may serve as a reminder not only to you but to other family members as well:

**TEN YEARS FROM NOW,
WILL THIS E-MAIL COME
BACK TO HAUNT YOU?**

Jobs have been refused, promotions have been missed, heads have rolled, and criminal investigations have been initiated due to e-mails that were "deleted" and forgotten by the senders as the years passed.

Not even William Henry Gates can send an e-mail safely. For example, suppose Bill sends this unsigned e-mail to one of the PIs on Microsoft's preferred list :

**GET ME THE CELL PHONE NUMBERS FOR SERGEY
BRIN AND LARRY PAGE ALONG WITH A LIST OF EVERY
NUMBER CALLED OR RECEIVED FOR THE PAST SIX MONTHS.**

Bill can then not only delete his e-mail from the "Sent" file but can take out the hard drive, smash it, and then drop it into the center of Lake Washington. Is the e-mail truly gone? Of course not. It resides on servers, on backups, and on the receiver PI's hard drive. If ever there is a legal battle between Gates and the Google boys, this e-mail could end up as the smoking gun.

What has been said about e-mails also applies, of course, to text messages.

Confidential communications

- *Dismal*: E-mails or text messages
- *Poor*: Cellular telephone
- *A little better*: Corded landline telephone
- *Much better*: United States Postal Service
- *Best*: Speak to the other party while strolling in a park

Note that for e-mails and text messages I said “dismal” rather than “never.” This is because on the very rare occasion, when time was of the essence and I did not have a telephone, I have had to use e-mails. If encryption is available (such as two users who both have Hushmail), then that may be the first choice. Otherwise, I suggest multiple e-mails with limited information. For example, suppose I need to send someone a confidential address such as the one listed below. Assume I have two e-mail accounts and so does the other person. The address is 927 Haystack Road, Unalaska, AK 99685.

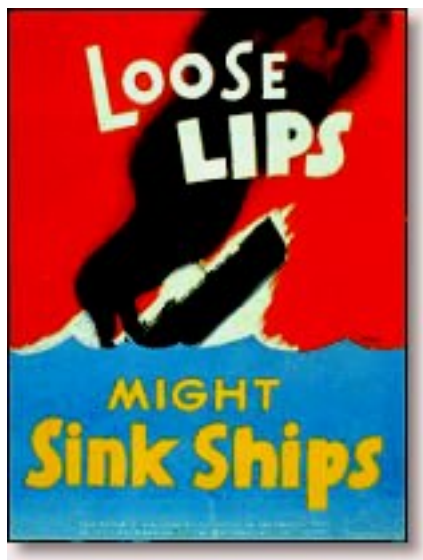
From my account A to his account A: “It might be 927 Haystack Road, but I don’t remember the city or state.” An hour or a day later, from my account B to his account B: “I think that number I didn’t know was actually 99685.” With the zip, the receiver can then go to http://zip4.usps.com/zip4/citytown_zip.jsp and pull up the town and the state.

For even better security, both the street number as well as the zip can be in a simple code, sent in a third e-mail A to B or B to A. Example: “For both numbers sent earlier, please add your age.” (If the receiver, for example, were 50 years old, then the street number originally sent would be 877 and the zip sent would have been 99635.)

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Chapter 6.

Meet the Enemy!



The War Advertising Council's "Loose Lips Sink Ships" posters, produced during World War II, reminded Americans of the dangers of revealing too much information to the enemy. Those of you who lived through those times may remember some of them:

- Button Your Lip
- Closed for the Duration
- Keep It Under Your Hat!
- Loose Talk Can Cost Lives
- Careless Talk Got There First
- Sh-h-h, Silence Means Security
- Don't Kill Her Daddy with Careless Talk

- Don't Be a Sucker! Keep Your Mouth Shut
- Watch Yourself Pal! Be Careful What You Say or Write
- Don't Let the Little Birds Snap Up Your Confidential Words

At that time, of course, the enemy consisted of Nazi Germany and Imperial Japan. When it comes to keeping your private information private today, however, a comic strip character said it best:

“Yep, son,” said Pogo to his friend Porkypine back in 1971, “we have met the enemy and he is us.” And the enemy is indeed “us” if we talk to others about our invisible money, our low-profile bank accounts, or our out-of-sight investments.

“Promise not to tell anyone . . .”

That doesn't work. Do not tell *anyone* your secrets unless they have a need to know. In my own case, I have no secrets from my wife, but not even our children (much less our grandchildren!) know anything about hidden money, secret places, or faraway bank accounts. The executor of our estate needs to know these things when both of us are dead but not before. All he knows now is where to find the file that has the information he will need.

“Wise men should not boast of their wisdom ...”

Children love to brag. In their early years they are probably incapable of grasping the truth of the above words taken from Jeremiah 9:23. However, even for us adults, the temptation may still be there.

We may be proud of how much money we've made, or about the secret room in our home, or about how we outfoxed some PI who was trying to track down our assets. This desire is *especially* present when downing a few beers with old friends, so remind

yourself beforehand to consider another piece of biblical wisdom: “For everything there is an appointed time ... a time to keep quiet and a time to speak ...” (Ecclesiastes 3:1,7)

When it comes to secrets, it’s *always* “a time to keep quiet.” (Console yourself by remembering that no one likes a braggart anyway, right?)

How to distribute your assets

On your person:

- Enough in your billfold to pay for small purchases
- For women, the balance in a pocket in your panties, bra, and/or in an elastic band around your thigh.
- For either sex: The majority of your cash, credit cards, etc in a money belt (with or without the belt knife) an inside pocket in your jacket, or in some other secret pockets that you have sewn into your clothing.

In your car:

- Small bills in the ash tray
- A few larger bills in a junk mail envelope in the dash compartment
- Serious cash in a fake can mixed in with tools in the trunk

In your home:

- Loose bills and change in a top drawer in the master bedroom

- More cash divided between a soda can in the back of the refrigerator and an Ajax can under the sink
- Any amount running into the thousands to be kept in a fireproof safe in a secret compartment or in a “panic” room

How to protect your bank statements

Once you have balanced the account, either shred them, scan them to a disk and then hide the disk, or keep the statements in an extremely safe place.

To hide the fact that you even have such bank accounts, the main step is to have them come to a post office box where only you have the key. Even better is to have all statements mailed to a ghost address, such as the one in Alaska, discussed in Chapter 7. In that case, you receive your statements inside another envelope with just the sender’s name and address in the upper left corner, rather than the bank’s name and address.

The danger of leaving certain books in plain view

Once you have used the information in this book, either hide it well, pass it on, or get rid of it. The same applies to some of the recommended books in Chapter 7. Here’s why:

Author Dennis Fiery says that an editor at Loompanics told him about a report from California’s Santa Cruz Police Department. “They found a book,” he says, “in a suspect’s house about how to hide things, which they immediately read. Using the book as their guide, the cops were able to locate the suspect’s stash and bust him!”

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Chapter 7.

Insider Tips for Practical Privacy

Now is the time to start checking out some of my favorite products, books, and contacts. As one advance proofreader wrote, “This is my favorite chapter! I’m having a ball checking out the Web sites and will purchase all the books and many of the products as well ...”

Recommended books

Secrets of a Superthief: An Inside Guide to Keeping Burglars Outside Your Home, by Jack MacLean (Berkeley Publishing, 1983).

MacLean wrote this book while serving a 15-year prison term. Until he was finally caught, he had burglarized more than 2,000 homes and netted 133 million dollars. This book is based upon not only his own experiences but that of 300 burglars that he interviewed inside the prison walls. MacLean describes the ideal “burglar-proof” home and suggests physiological deterrents that work as well as or better than any actual hardware devices.

Used copies of this 173-page paperback sell for up to \$150 at Amazon.com but you may be able to find one for less by doing a title search on the Internet.

The Construction of Secret Hiding Places, by Charles Robinson (Desert Publications, 1981).

This small book shows you how to hide money and small objects in doors, walls, plumbing, books, kitchen cabinets, and in heating and cooling vents. If you own your own home and have a few woodworking tools, you will find some excellent examples of how to construct hiding places between wall studs.

“I don’t know of any case,” says Robinson, “where a secret hiding place was discovered.”

The Big Book of Secret Hiding Places, by Jack Luger (Loompanics Unlimited, 1987).

Many of the ideas advanced by this author require some serious work. The book is recommended primarily to readers who fear that someday there *will* be a serious search of their property and that they *do* have some items that must never be discovered. Included in this illustrated paperback are instructions for building secret spaces in doors, walls, furniture, false chimneys, and vehicles.

How to Hide Anything, by Michael Connor (Paladin Press, 1984).

This book is not for the do-it-yourselfer. Connor recommends large spaces in which you could conceal a large safe, a secret lover, or a million bucks in five-dollar bills. He includes custom-built furniture, false ceilings, trapdoors, underground storage, and even complete rooms beneath garden pools and flower beds!

How to Hide Things in Public Places, by Dennis Fiery (Loompanics Unlimited, 1996).

If you need to drop some cash off for your brother-in-law whom you suspect may be on the run, or if you are *expecting* a professional search and do not have time to prepare your home beforehand, you will find plenty of information here. Included are suggested hiding places involving dumpsters, fast-food places, laundromats, libraries, hotels, and even golf courses. Regarding the latter, Fiery says, “You can bury objects in a sand trap, in the woods or fields, in tall weeds, or even under water.”

How to Bury Your Goods (revised edition), by Eddie the Wire (Loompanics Unlimited, 1987).

This 66-page booklet probably tells you more than you want to know about underground storage. He covers tools and equipment, site surveys, waterproof containers, burial methods, and how to outfox a search team.

Secret Rooms, Secret Compartments, by Jerry Dzindzeleta (Plastic comb binding, self-published, 1990.)

If you are about to remodel or build, and you are plan to include a secret room, then this is the manual to have on hand. Don’t be put off by the unedited writing, the photocopied pages, the typos, or the \$29.95 price. Dzindzeleta gives detailed plans for secret places and spaces that are better than any others I have ever come across. My favorite—diagramed in the manual *Secret Rooms, Secret Compartments*, is “The Moving Closet.” This closet can be constructed with both walls and ceiling made from single sheets of drywall or paneling, so imagine a burglar trying to figure that one out!

How To Be Invisible: The Essential Guide to Protecting Your Personal Privacy, Your Assets, and Your Life (revised), by J.J. Luna (St. Martin’s Press, 2004).

“In this thoroughly revised update of his immensely popular guide *How to Be Invisible*, J.J. Luna shows you how to protect yourself from these information predators by securing your vehicle and real estate ownership, your bank accounts, your business

dealings, your computer files, your home address, and more ... Whatever your needs, Luna reveals the shocking secrets that private detectives and other seekers of personal information use to uncover information and then shows how to make a serious commitment to safeguarding yourself ... Privacy is a commonly-lamented casualty of the Information Age and of the world's changing climate but that doesn't mean you have to stand for it.” — *Amazon.com*.

Useful products and where to buy them

Can Safes:

<http://www.diversioncansafes.com>

<http://www.lock-man.com>. Look for “can safes” in the catalog.

Also: Amazon.com. Click on “Tools and Hardware” and search for “can safes.”

Belt Knives:

<http://www.bowenknife.com>

Hiding places for women:

Elastic thigh bands: <http://www.outofsightcreations.com>

Panties with pockets: <http://www.feelfoxy.com>

Money belts:

<http://www.beltoutlet.com> and scroll down to money belts. Also, see

<http://studenttravel.about.com/od/mattersofmoney/qt/moneybelt.htm>

Magnetic locks:

<http://www.cabinetparts.com> and search for “Rev-a-Lock Series RL.”

Or, do a search on the Internet for “magnetic locks and keys.”

Marine air horns:

<http://www.westmarine.com>, search for portable signal horn. Or do a search on the Internet for these words (no quotes): portable marine air horn. (If you plan to use the horn with a trip wire, then some sort of Rube Goldberg device will have to be built in order to push down the air release button.)

Shotgun shell noisemakers:

<http://www.shomer-tec.com>, search for “alarm signaling device.”

Bank checks:

www.ChecksUnlimited.com or call 1-866-503-9193.

Alternative (“Ghost”) addresses

Who needs a ghost address? Anyone who wishes to have a faraway address for special purposes. This might be for the address of a vehicle registration, for annual property taxes, for bank statements, or for any other sensitive mail. The addresses are especially useful as a return address, when you do not wish to use your own address. Skipping a return address on an envelope does not add to privacy because if the envelope is not delivered for any reason, then it goes to a dead letter office where it *will* be opened. Would it not be better to have it returned to your ghost address and then sent back to you?

Two addresses are available, one in Alaska and the other in Spain’s Canary Islands. The Alaska address is ideal for those who plan to receive important documents sent by

the DMV, county registrar, American banks, etc. The Canary Islands address is for major privacy and security. It can be used for registering car titles, as a mailing address for foreign bank accounts, or for private business matters. (As for anyone from the U.S. trying to serve an American subpoena on an address in these Spanish islands ... forget about it!) For details, go to <http://canaryislandspress.com/index.cfm/page/address>

New Mexico limited liability companies (LLCs):

An LLC resembles a corporation but without many of the onerous bookkeeping details and annual meetings. For purposes of privacy, New Mexico LLCs (unlike other states) are ideal for titling cars, trucks, tractors, motorcycles, snowmobiles, boats, utility trailers, RVs, travel trailers, pickups and campers. This is because, in New Mexico, the only information required for the Articles of Organization is:

- (1) the name of the company and the address of the principal office.
- (2) the name and address of the resident agent (not you), and
- (3) the duration of the LLC, which is usually 50 years.

This state does not require the name of the owner or owners. The mailing address of the principal office can be anywhere in the world. There are no annual reports. Thus, changes in ownership take place in total darkness. Neither are there any annual fees. (Compare this with California's annual \$800 minimum franchise tax!)

For more information about New Mexico LLCs, go to www.canaryislandspress and click on NM LLCs. Then scroll down to the link at the bottom of the page and click on the order blank.

Private investigator

Patrick Picciarelli, patpic@comcast.net

Los Angeles attorney skilled in LLC and trust law

-- Craig Triance, craigtriance@comcast.net

Hidden passageways

<http://www.hiddenpassageway.com> (If money is no object ...)

Additional information

Self Defense for Women: Dirty Tricks for Savvy Chicks is a report that is available on my website, www.canaryislandspress.com. Much of this report applies equally to both sexes. If you are nervous about carrying large amounts of cash, then get in the habit of carrying one of the innocent-appearing weapons recommended in the report.

Also, if you ever choose to fortify your home, and especially if you decide to include a secret room, you will need the information contained in the chapter on *Handguns versus Shotguns*.

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APPENDIX A

Canadian Bank Accounts for Non-Canadians

The author neither encourages nor discourages anyone from opening a Canadian account. The details that follow are believed to be accurate but the author cannot guarantee what any branch of a bank will do under specific circumstances. Before traveling to Canada, *please contact the bank to make an appointment and to confirm your intentions.*

Why Canada?

For Americans, no country is easier to access than our northern neighbor. You can enter the country on foot as well as by car, boat, train or plane, the language is English, and the people are friendly. Best of all, Canada does not have a "tax haven" reputation.

But why might you need a Canadian bank account?

For the majority, the reasons will be for privacy and for asset protection (see the last two questions in this Report). For others, however, the main reason will be for "insurance." As you know, in 1933, incoming president Franklin Delano Roosevelt temporarily closed every bank in the country. Since then, it has been said that this kind of thing will never happen again.

However, that was before 9/11, when the U.S. government suddenly grounded every non-military aircraft in the entire country. If a future terrorist attack is via computer and takes down this country's electronic transfer systems, it will be banks instead of airports that may have to shut down.

Should that happen, those of you with Canadian dollar accounts may decide to vacation in Canada for a few days or weeks, using automatic teller machines (ATMs) for the Canadian dollars you need.

Which bank?

At one time, an American could open an account with almost any bank in Canada, but that is no longer the case. The only bank that still may allow Americans to open accounts in any of the ten provinces and three territories is the BMO Bank of Montreal, often shortened to either "Bank of Montreal" or "BMO" (pronounced *BEE-moe*).

However, each province has its own rules. Several other banks in the eastern provinces have also been known to open accounts for Americans. Nevertheless, my first choice is still BMO Bank of Montreal.

The appointment

All Canadian banks work on an appointment system. Locate the bank where you wish to open your account and then call for a scheduled time. Explain that you live in the U.S. but that you wish to open an account with them for some specific reason. (Perhaps you do business in Canada from time to time, or you often vacation there, or you are planning to eventually purchase a second home there.)

To locate a specific branch, go to the Bank of Montreal's web site, **www.bmo.com**. If you are not on the Internet, perhaps a friend can make this search for you. Or, you can call the bank's toll-free number, 1-800-555-3000.

Allow at least an hour for your appointment, and preferably an hour and a half. I suggest, therefore, that you make your appointment with the bank's financial services manager for *not later than 2:00 p.m.*

In what name?

Since you will be asked for identification (usually your passport and your driver's license), open the account in your own name.

Note: Although you may have a New Mexico limited liability company, leave the documents at home. The bank will not open an account in the name of your LLC unless you first go through the complicated formalities of registering it to do business in one or more Canadian provinces. Trust me, this is a route you do not want to take.

Ghost address and no SSN

At one particular branch in British Columbia, I was told that they may *ask* for your Social Security number, but that it is *not* required. At another branch, however, they didn't even ask. In any event, Canadian banks normally keep track of accounts by insurance numbers, and since you do not have such a number, none will be entered.

Also, the address you give them need not be your home address. If you can get by with it, give them your U.S. alternate (“ghost”) address. If that doesn't work, arrange to have an address somewhere in Canada for receiving your statements, and then start over at a different branch.

In either case, review the subheading, *How to avoid those telltale statements*.

Interest- or non-interest-bearing?

Interest rates in Canada are low to begin with, and Revenue Canada automatically withholds a percentage of interest earned by foreign depositors—assuming they even allow such an account to be opened.

I suggest, therefore, that you open only a non-interest bearing account. Also, these accounts have more and better features than the interest-bearing accounts.

American or Canadian dollars?

This will depend on your reasons for opening the account. If privacy is your sole purpose, then you may perhaps choose to keep the account in American dollars. If, on the other hand, this is an account you might someday need for an emergency *stay* in Canada, or if you fear a possible U.S. "banking holiday," then by all means open the account in Canadian dollars. Which do I prefer?

Canadian dollars, because this will make more sense to the bank representative when you tell him or her that the account will be used to pay bills or make purchases in Canada.

Will checks be needed?

The bank will give you four temporary checks, but unless you plan to actually pay some bills in Canada itself, you will not need them. (American banks will not process personal checks drawn on a Canadian bank, not even if the account is in American dollars.)

What's a Canadian dollar worth?

Twenty years ago, the "loonie" (so-called because of the loon pictured on the bill) was worth about the same as an American dollar. Then the Canadian dollar began to drop, eventually reaching an all time low of just 63 U.S. cents.

By the summer of 2003, however, the value had climbed to 67 cents, and it now swings between 86 and 91 cents. I suspect that the Canadian dollar may someday be on par with the U.S. dollar, propelled by a strong economy in Canada and the weakening of the U.S. dollar.

How much cash can be carried into Canada?

There is no limit on how much cash you can have with you as you enter Canada. However, a new law that took effect on January 1, 2004 requires you to declare any amount if it is \$10,000 or more in *Canadian* dollars. To avoid this reporting requirement—and to be on the safe side—it's better not to enter Canada with more than about US\$8,000 at any one time.

What about my U.S. income tax return?

In 2005, I found a complete explanation of the reporting requirements for foreign financial accounts at **www.knaupplaw.com**. Since then, the page seems to have disappeared, but here is what I copied at the time. (Check with your CPA regarding any changes since then.)

Question:

Is it allowable to have a foreign account of less than \$10,000 in each family person's name, including a personally owned corporation or trust account, and still not be required to report such accounts, as each account is less than \$10,000?

Answer:

Each individual taxpayer is considered separately under the rules (assuming no joint ownership with others). Although there is an aggregate rule for an individual taxpayer that owns several accounts, there is no rule which requires a group of individual taxpayers to aggregate their account values for purposes of the \$10,000 reporting rule. Although married couples filing a joint tax return combine their income for federal tax purposes, they are not required by law to combine the values of individually-owned foreign financial accounts for purpose of the \$10,000 rule...."

This does not mean, of course, that you cannot keep more than US\$10,000 in your account. It's just that, if you do, you must check a box on your tax return that indicates you have a foreign bank account. In my opinion, this is not necessarily a red flag, but check with your CPA to make sure, before you go over the \$10,000 limit.

Avoid those telltale monthly statements

Although the Bank of Montreal does not advertise this fact, you can request *one single statement per year*. This can be mailed to any address in the world and is sent out on or shortly after January 31 of each year. You may wish to give the bank an address of a relative or friend. Contact them toward the end of January, remind them of the statement soon to be arriving, and arrange to pick it up in person or else for it to be sent on to you in a plain envelope.

Online statements

BMO, like most other banks, will require you to go to their website to get your online statement. I never use this method but I know others who do, and they say that it presents no problem.

However, never communicate with BMO via e-mail, nor give them your e-mail address. The obvious reason for this is to avoid any evidence that you even have a Canadian account. For the same reason, I strongly suggest that you never keep any of the records in your computer. Keep your bank records the old-fashioned way. By hand.

Use the “Opt Out” forms

Although unknown to most customers, the Bank of Montreal has two option forms, one to keep the bank from sharing your information, and the other to keep the bank from sending you any mail other than your statements. Since they are not often used in the

smaller branches, they may not have them on hand. However, do request them. They can be faxed to the branch bank while you wait.

The specific names are Direct Marketing Opt Out Form and Shared Information Opt Out Form.

Could a private investigator (PI) locate my account?

This depends on the PI, and on whoever is paying him. I asked this question of a skilled PI friend who tracks down assets both in the U.S. and abroad. He says he first checks for American accounts. If he comes up dry, and if his client is willing to spend more money, he will expand the search. However, his next step is usually offshore banks in known tax havens. The latest targets on his list are banks in China, since China is fast becoming the place to bank for anonymity. (Note: He says he himself would *never* open an account in China because there is little if any security.) The only specific searches he has done in Canada have been for targets who *are known to be Canadian citizens*.

"The searches are done by province," he says, "and I'd need the insurance number of the individual (insurance numbers are like Social Security numbers in the States). If this number is unknown, it would cost the client extra for me to find the account."

He says the bottom line is that if he somehow learned that the person *did* have a Canadian account, he could track it down... but it would be far more difficult than in the United States and his client (usually a law firm) would have to pay him a substantial additional fee.

Can the police track the use of my ATM card?

I put the above question to a forensic computer expert in the police department of a large city on the U.S. West Coast. His answer:

“I think finding someone through their use of an ATM card, even frequently, under those circumstances would be exceedingly difficult. Having done financial asset investigations against narcotics traffickers, I know that if you don't know the identity of the bank account, you are shooting craps trying to find it. I've been to a lot of training on asset tracking, and I've worked joint investigations with the feds. I don't think anyone in *traditional* law enforcement would have any different of an opinion than mine. (I say traditional, because who really knows what the NSA, CIA, and the like are capable of?)

“When we had good reason to believe our suspect had assets, and no paper trail of them turned up in a search warrant of their residence, we were reduced to calling all the security folks we knew from the various banks and ask them if there were any accounts under a certain name. I doubt if anyone would think to check Canadian banks. If it was a common name we would have to write a search warrant (thank God for the Constitution) and would have to convince a judge that we had reason to believe it belonged to the right person. A judge may or may not go for that. If they used an alternate name for the account, of course, they would be (to borrow your trademark) “invisible.”

“So I believe that, in your scenario, a person would be almost impossible to find through that means. Of course, using the card infrequently and at random locations away from home, it gets closer and closer to the perfect ideal.”

Conclusion:

If you are fleeing a stalker, you may wish to close all your U.S. accounts. Otherwise, if it is merely a law firm that may hire a PI to go after you, you may wish to keep one or two small U.S. accounts (perhaps out of state) for paying bills etc. That way, if the PI does discover your account(s), he may reach the false conclusion that he has finished the job.

He may then report back to the law firm that you do not have much money, and they in turn may decide not to pursue the case.

Remember:

It is absolutely vital that others do not learn about your Canadian account. Therefore, ***never, never, never talk about it.*** Set the account up, use the Opt Out forms, and arrange to get just one statement each year, mailed to a secure address.

CROSSING THE BORDER INTO CANADA:

Americans traveling to and from Canada by air are now required to show a valid passport. Travelers entering Canada by land currently have these options:

U.S. citizens:

- A valid U.S. passport; or
- An original U.S. birth certificate plus photo identification; or
- An original naturalization certificate plus photo identification.

U.S. permanent residents:

- Original alien registration card (green card); or
- A valid I-551 stamp in the traveler's passport.

Other documents such as a driver's license or voter registration card will not be accepted as proof of U.S. citizenship.

Note:

Beginning on June 1, 2009, passports will be mandatory for all U.S. residents and citizens entering Canada, whether by land, sea or air. For up-to-the-minute information, go to:

http://travel.state.gov/travel/cbpmc/cbpmc_2223.html

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APPENDIX B

European Bank Accounts

The European Union (EU) consists of 25 member states. They are Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Poland, Portugal, Spain, Slovakia, Slovenia, Sweden and the United Kingdom.

Privacy: Europe vs. the USA

In Europe—unlike in the United States—privacy is a human right. Personal information cannot be collected without consumers' permission. For example, when Mormon missionaries or Jehovah's Witnesses go door to door, they are not allowed to write down the householder's name or address without permission. In fact, for organizations of any kind, those who join must give their *written* permission to have their names entered as a member. And, if additional information is then entered, the members have the right to review that information at any time and to correct any inaccuracy.

Any company that processes names and addresses must register its activities with the government. Personal information cannot be shared by companies or across borders without written permission from the data subject. Employers cannot read workers' private e-mail. Checkout clerks cannot even *ask* for shoppers' phone numbers.

These rights, and many others, stem from The European Union Directive on Data Protection of 1995, which mandated that each EU nation pass a national privacy law and create a Data Protection Authority to protect citizens' privacy and investigate attacks on it. As a result, the average European trusts his government far more than does the average American.

EU Banks

All banks in the EU have a *Know Your Client* policy, for the most part forced upon them by the United States. A new client, therefore, must appear at the bank in person and produce government-issued ID. The government tax agencies have full access to all bank accounts. In fact, banking information for income tax purposes is included in the forms sent to taxpayers by most of the EU countries.

The next five subheadings are directed to citizens and permanent residents of the European Union. If you are a Canadian or an American, skip down to the sixth subheading, *Is a North American allowed to bank in the EU?*

Legal access to your bank account

Law enforcement agencies, unlike the tax people, do not have instant access to your bank account. Even if a criminal activity is suspected, they must go to the courts and ask them to order banks to divulge banking information. Even then, however, the request will be granted only after hearings and appeals.

Illegal access to your bank account

Although reputable private investigators do not do pretexting, there are plenty of “bent” detectives that do. “Pretexting” is when a PI pretends to be a bank account holder, or to have authorization to access an account, to obtain cell phone records, long distance call records, a person’s physical location and other personal records, and any other account information relating to that person, such as dating service information or post office boxes.

The problem is complicated by the fact that penalties in Europe for this illegal practice are much less severe than in the United States. Here are two comments from

European PIs who make a practice of pretexting. (And by the way, they are very good at it, practicing almost every day!)

In answer to my question, one wrote, “We are very liberal here. For pretexting, you only get a slap on the wrist. In fact, even if you murder someone you usually serve only six years.” Another wrote, “We [referring to the Netherlands] are crazy here. I have a friend who owned a whore-house. He used to send the girls to the prisons and the invoice to the government. Payment was never late.”

Pretexting is also called “Social Engineering” but as one victim said, “it seems more like lying and fraud to me.”

Nominees

The way to open a completely anonymous bank account is to use a proxy or a nominee. As outlined in *How To Be Invisible*, the nominee opens the account in his or her own name and then signs a stack of checks in blank. Although this has been my favorite method on both sides of the Atlantic for the past 40 years, most readers of my reports and books say they do not have any willing friends who they would trust enough to have control over such an account.

Legal entities

Between 1989 and 1994, I formed more than 1,700 Nevada and Wyoming corporations for Europeans who then used them to open banks accounts in Russia, the EU countries, or Switzerland. At that time, most banks required an apostille (pronounced app-oh-steel) in order to open an account for a foreign corporation.

Although an apostille is almost unknown in the United States, such a document is available from all states’ corporation departments. The purpose of an apostille is to authenticate a document so that it will be accepted in a foreign country. The Secretary of

State has the authority to prepare an apostille for any document created within the state's jurisdiction, which includes both corporations and limited liability companies.

In 1995 I sold my incorporation business but I've kept in touch with the buyer. Since the events of 9/11/01, all banks in Hungary, Switzerland and Austria now require—in addition to the apostille—a notarized document to authenticate the true owners of the LLC. Individual banks in other EU countries may already be starting to ask for something similar. The U.S. incorporator has therefore prepared, on his own, a special document that he calls a “Certificate of Incumbency.” The banks have thus far been accepting this notarized certificate without a question. However, since the bank knows the name of the owner(s) or the corporation, I do not consider this to be as secure as the method of using a nominee.

Summary for Europeans

If a law firm is checking you out prior to filing a lawsuit, your best guess is that they will track down every euro in your own country and—if they hear rumors of accounts in other EU countries—they may extract the balance from those accounts as well.

If I were a European and wanted the maximum protection for a bank account, I would use a nominee. If one were not available, and providing I had some way to move the money, I would consider traveling to the United States to open an account. (The ideal scenario would be to use the U.S account only for incoming funds from the Americas, Asia, or Africa.)

Is a North American allowed to bank in the EU?

There's virtually no chance of opening a bank account in your own name in any of the European Union member states. This is because you must *prove* not only that you live there but that you have been in the country for a specified period of time. (Do not consider lying and backing the lies up with false documents. You could then be arrested

for committing a fraud!) One American who *did* live in Germany for several years was finally able to open an account there but he writes, “Even though I produced all the documents they needed, I had no end of trouble with this account.”

What about Swiss accounts for Americans?

Since Switzerland is not in the EU, some of the foregoing information may not apply. However, you will still have to show up in person, and how will you transfer the money? Remember, you are not allowed to leave the United States with \$10,000 or more in cash, travelers checks, or any other negotiable instrument, unless you declare this and fill out a form. If you plan to take a larger amount out of the country, you will need to travel with friends and/or make a number of trips.

As for wire transfers, they are seldom recommended because all such transfers are closely monitored by both the CIA and the Treasury Department. Even worse, the Society for Worldwide Interbank Financial Telecommunication (SWIFT), based in Belgium, watches for money on the wires from certain bank accounts or people entering Europe. They can then come up with the name and address of your bank, your account number, and the current balance.

News flash, just in:

BERN, Switzerland (AP) -- Swiss banks violated the law by passing banking information on to the U.S. Central Intelligence Agency, the country's top data protection official said Friday. The banks, usually known for safeguarding the privacy of their clients, should have informed customers making international money transfers via the Belgium-based SWIFT money-transfer service that their data could be passed on to third parties, Hanspeter Thuer said. Last month, Switzerland Finance Minister Hans-Rudolf Merz said giving the CIA access to the SWIFT information did not infringe Swiss sovereignty or the country's banking secrecy rules.

An alternative to cash

One alternative might be to purchase un-set precious stones in New York and travel to Amsterdam where the stones are either sold or put into a safe deposit box in escrow and then used as collateral for a loan.

Some who use the stones for collateral then let the bank or insurance company keep the stones ...

Summary for Americans

I recommend that Americans keep their bank accounts in the United States and Canada, following the suggestions in Chapter 2 and in Appendix A.

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APPENDIX C

What to Do if a Cop Pulls You Over

In Chapter 1, you read about Emiliano Gomez who was pulled over while driving a rented Ford Taurus with a cooler in the back seat. Gomez, frightened by the police, knowing that he had \$124,700 in the cooler, limited in the language and unfamiliar with his rights, made a series of mistakes. Now let's imagine that *you* are the driver, and that for some reason you are carrying a large amount of cash. However, since it is extremely well hidden, you should have no reason to be unduly nervous.

Stop reading. Go out and check out your car!

Now is the time to do this, not when you are just leaving on a trip. Remove any bumper stickers, political stickers, or “cute” signs around the license plate. No baseball caps should be showing in the rear window, especially if they show the name of your favorite team. Remove any window decals for musical groups of any kind.

Take a walk around your car to make sure it has a clean well-maintained look. This means no cracked windows, no missing hub caps, and no crumpled fenders. Are the tags up to date? Is the inspection sticker current (if required in your state)? Check all the lights to be absolutely positively sure that no bulbs are burned out. If the tires are showing wear, replace them. If your muffler is failing, get a new one.

On the road, as long as you fasten your seat belt and strictly obey the traffic laws, you may never be pulled over, but don't count on it. During a recent trip heading east on I-90, I was following a black Jeep Cherokee. The driver was just under the speed limit and so was I. Suddenly a patrol car came up behind me, lights flashing. I prepared to pull over but he passed me and flagged down the Jeep ahead.

My tank was down to a half by now so I took the next exit to fill up in Ellensburg, Washington. I'd just finished paying the bill when the same Jeep rolled into the station. I couldn't resist speaking to the driver.

"I was right behind you," I said. "and I was really surprised that you got pulled over because you were under the speed limit just like me."

"Amber Alert," he said. "Some guy who snatched a little girl and is on the run in a Jeep just like mine. Sure scared me for a minute there, though!"

So then, whether you have been violating a traffic law or not, you may someday see flashing red and blue lights in your mirror. Here are a few ideas for your consideration. (Let's assume that the officer is a male trooper with the State Patrol and you are a male driver.)

As soon as you see the flashing lights ...

Wave at the trooper and then proceed to a safe place to stop, even if you have to travel another mile or so. (You may wish to turn on your flashers as well.)

Never open your door and step out, unless you are asked to do so. If the stop is at night, turn on the overhead light. If you are wearing a cap (especially if it's on backwards), remove it. If you are wearing sunglasses, take them off. Place both hands on the steering wheel so the officer can see them. If you have passengers, ask them to sit quietly with their hands visible.

The purpose in doing this is to take any unnecessary tension out of the encounter. Officers sometimes have to deal with armed and dangerous criminals at traffic stop and you must do your best to show that you are just the opposite.

When the trooper comes up to your door ...

He will ask for your license, registration, and proof of insurance. Tell the officer where these documents are located, especially if they are tucked away in the glove box or some other unusual place.

Roll your window down about three inches and pass the documents through the opening. (This is to discourage him from putting his six-cell alcohol-sniffing flashlight into your space, or sticking his head in to look around for anything suspicious.) However, if the officer insists that you roll down the window, comply.

Exception, if you are a woman, and especially if you are a young one: If the night is dark and you haven't actually seen the trooper's well-marked cruiser, or if he is driving an unmarked car, lock your doors before you even stop. Keep the engine running. Tell him a friend of yours was raped by a fake policeman and you are terrified. Say you are willing to drive to the police or fire station and you will open the door there. If he tries to pull the door open or break a window, then he is indeed a fake, so take off. Drive at the speed limit until you can pull into a well-lighted public place. Sound your horn to alert employees of the situation, and call 911.

By all means be polite, but this man is not in the army so do not call him "sir." Here are the rules, according to Sgt. James Eagan,, NYSP (ret.), author of *A Speeder's Guide to Avoiding Tickets*.

1. If his sleeve has three or more stripes, call him Sergeant.
2. If his sleeve has one or two stripes, call him Corporal.
3. If you see no stripes and you are sure he's a member of the State Police, call him Trooper.
4. If you see no stripes but are sure he's with the County Sheriff's department, call him Deputy.

5. All others, *or if in doubt*, call him Officer.

If the cop is a woman, never call her “Miss” or Ma’am. Use the same title when addressing her as you would if she were a man.

If he asks you how fast you were going, you do not know. Do not offer *any* information without being asked.

If you are asked to open the door and step out

Do so, but shut the door behind you. If asked why you did that, say it’s a habit you have. (The object is to keep the officer from taking an open door as an invitation, and sliding in to look around.)

Do not consent to a search of your car

“Why not?” he may say. “You’ve got nothing to hide, right? Or do you?”

Your answer is that with all due respect, your attorney has told you that you should never allow a search without a search warrant. If the trooper starts to threaten you, say, “Are you detaining me, officer? If not, am I free to go?”

If things are still deteriorating, tell the trooper politely but firmly that you have nothing further to say without having your lawyer present. Repeat, “Are you detaining me, officer? If not, am I free to go?” In almost every case, the officer will then give you a ticket. If he asks you to sign it, *sign it*.

He will then let you go.

Warning: Do not give in to this temptation

When you first see the lights behind you, don't even *think* of trying to outrun the patrol car, not even if you are operating without a license and under the influence of drugs or alcohol. Pull over. (*Full disclosure:* This author once outran a Montana State Patrol cruiser between Deer Lodge and Missoula. Although that was back in 1952 and I was driving a fast car, it was a stupid thing to do even then. Today, with modern radios, cell phones, spike strips and police helicopters, unless you have a death wish it would be insane to attempt it.)

The same applies, of course, when you stop the car. Do not get out and run. No matter what you are afraid of, running will make the matter worse.

Never touch the patrolman. Do not complain or tell the man he is wrong or that you are going to file a complaint. If he arrests you, do not resist, even if you are innocent of any wrongdoing. And as far as talking back, learn from this article from the April 26, 1998 issue of the *Seattle Times*. It starts out:

“A motorist stopped for speeding was arrested and handcuffed by Olympia police officers for failing to have a litter bag in his car.” The arresting officer made it clear that “not just any litter bag would do,” insisting that the motorist was required to carry a “state-approved-and-designed litter bag.” (State officials, however, admit that such bags are no longer made.) The motorist was then hauled off, handcuffed, to the city jail.

How this particular driver get treated so harshly? He later admitted to the press that he had “mouthed off” to the officers.

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APPENDIX D

What to Do if the Police Show Up At Your Home

For the purposes of this section, assume the following:

- You are a married man with no children at home.
- Your financial records are kept on a laptop computer in your den.
- You have a large amount of cash on hand because you are planning to buy a late-model Infiniti M45 from a private party.

If you spot the police pulling up to a stop in front of your home, the first thing to do is to make sure that any large amounts of money are hidden well. If there is time to do so, hide your laptop computer and your cell phone as well. Or, if your wife is at home, have her put those items in whatever secret hiding place you've already prepared. She should then keep out of sight.

Should you even answer the door?

If you are not sure that a real policeman is at the door, do not open it. Tell the person from behind your closed door you are going to first call 911 and verify their credentials for your safety. Say to the operator:

“There is a stranger at my door identifying himself as a policeman (or as a federal agent). I am not sure who he really is. I would like an officer to come to my address and verify if this person is a real policeman (or federal agent).”

(*Note:* If your wife were home alone, she might add, “I am a woman home alone and I feel threatened by this man outside.” If she had seen the officer from a window or through a peephole, she could describe him.)

Otherwise, go ahead and answer the door. There may be nothing to fear because in the majority of cases the police are there for one of the following reasons:

- A complaint against you by a neighbor
- Notification of a family emergency
- A Hazmat emergency in your area
- Canvassing for witnesses to a crime
- Your home being the last known address for a wanted person.

Or, they are responding to the wrong address. (Yes, that does happen.. See examples in chapter 2 under the subheading *Level Three: Safe from a routine search by the police.*)

Step outside and close the door behind you

If the door automatically locks when closed, make sure you have a key! (Now is a good time to stop reading and hang a spare key on the back of the door so that you can grab it when you step out.)

What to say if the police ask to enter your home

At the outset, find out what they want. If it is to enter your home, ask them if they have a warrant to search your premises, or a warrant for your arrest. Without one or the other, do not let them inside your front door. (If you have been expecting such a visit,

contact an attorney beforehand, discuss your case, get a couple of his business cards, and give one to the officer in charge. Ask him to make all inquiries through your counsel.)

If the police still persist in trying to question you, tell them that until you consult an attorney, you have nothing to say. Then politely but firmly close the door.

What to do if the police have a search warrant

Do not offer any resistance, but do politely ask to see the warrant. Make sure that it has your name and address and that all other information is correct. (The warrant will specify in detail the places to be searched and the people or things to be taken away.)

Call your lawyer at once. Then, if you are allowed to watch the searchers, by all means do so. Take notes, including names, which agency they represent, where they searched, and what they took.

What if they ask, “How much cash do you have here in the house?” Even though they have a warrant, you do not need to answer this or any other question, because if you do answer, the next question will be “Where do you keep it?” and the question after that will be, “Where did this money come from?”

Remember, if you lie to a government official, you will be guilty of a crime. Even if you have *started* to answer some questions, you can stop at anytime and say you must first speak with your attorney.

One of the officers might tell you (possibly in obscene terms) that if you do not tell them how much money you have and where it is at, they will tear the place apart. Stand firm and keep your mouth shut. Anything you can say can be used against you.

Summary:

Don't let the above information scare you into not keeping cash in your home. The chances of such a scenario happening are extremely remote. However, what I do hope I've accomplished is—if you have not already done so—to encourage you to get right to work on a really truly secret hiding place that will indeed make your money invisible.

If you have any questions or comments, go to <http://www.canaryislandspress.com>. Click on the *Questions and Comments* link and follow the instructions.

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