

Form **211**  
(July 2018)

Department of the Treasury - Internal Revenue Service

# Application for Award for Original Information

OMB Number 1545-0409

Date Claim received

Claim number (completed by IRS)

## Section A - Information About the Person or Business You Are Reporting

1. Is this  New submission or  Supplemental submission  
If a supplemental submission, list previously assigned claim number(s)

2. Last 4 digits of Taxpayer Identification Number(s) (e.g., SSN, ITIN, or EIN)  
8491

3. Name of taxpayer (include aliases) and any related taxpayers who committed the violation  
Big Canoe Property Owners Association

4. Taxpayer's address, including ZIP code  
10586 BIG CANOE  
BIG CANOE, GA 30143

5. Taxpayer's date of birth or approximate age  
corporation / n/a

6. Name and title and contact information of IRS employee to whom violation was first reported, if known

7. Alleged Violation of Tax Law (check all that apply)

Income Tax       Employment Tax       Estate & Gift Tax       Tax Exempt Bonds  
 Employee Plans       Governmental Entities       Exempt Organizations       Excise  
 Other (identify) Tax Scheme Violations related to § 1.170A-14 Conservation Easements ("C.E.")

8. Describe the Alleged Violation. State all pertinent facts to the alleged violation. (Attach a detailed explanation and include all supporting information in your possession and describe the availability and location of any additional supporting information not in your possession.) Explain why you believe the act described constitutes a violation of the tax laws  
See Attached

9. Describe how you learned about and/or obtained the information that supports this claim. (Attach sheet if needed)  
See Attached

10. What is your relationship (current and former) to the alleged noncompliant taxpayer(s)? Check all that apply. (Attach sheet if needed)

Current Employee       Former Employee       Attorney       CPA  
 Relative/Family Member       Other (describe) I live in the Community of Big Canoe, GA - where the C.E. property is located.

11. Do you still maintain a relationship with the taxpayer  Yes       No

12. If yes to number 11, describe your relationship with the taxpayer  
Only as a Member (Property Owner) within the Community, operated by a POA, an active Developer & a Water Utility. ALL involved.

13. Are you involved with any governmental or legal proceeding involving the taxpayer  Yes       No

14. If yes to number 13, Explain in detail. (Attach sheet if needed)  
n/a

15. Describe the amount of tax owed by the taxpayer(s). Provide a summary of the information you have that supports your claim as to the amount owed (i.e. books, ledgers, records, receipts, tax returns, etc). (Attach sheet if needed)  
See Attached

16. Fill in Tax Year (TY) and Dollar Amount (\$), if known  
TY \_\_\_\_\_ \$ \_\_\_\_\_ TY \_\_\_\_\_ \$ \_\_\_\_\_ TY \_\_\_\_\_ \$ \_\_\_\_\_ TY \_\_\_\_\_ \$ \_\_\_\_\_

## Section B - Information About Yourself

17. Name of individual claimant  
David Hopkins

18. Claimant's date of birth (MMDDYYYY)  
[REDACTED]

19. Last 4 digits of Claimant's SSN or ITIN  
[REDACTED]

20. Are you currently an IRS employee  Yes  No

21. Are you the spouse or a dependent of an IRS employee  Yes  No

22. Are you currently an IRS contractor  Yes  No

23. Are you a Federal, State or Local Government employee  Yes  No

24. Address of claimant, including ZIP code  
[REDACTED]

25. Telephone number (including area code)  
[REDACTED]

26. Email address  
[REDACTED]

27. Declaration under Penalty of Perjury I declare that I have examined this application, all accompanying statement and supporting documentation, and, to the best of my knowledge and belief, they are true, correct, and complete

*David Hopkins*  
Signature of Claimant

Oct 5 2022  
Date

Form 211 ~ Application for Award for Original Information  
Supplemental Information Attachment – Question 8

**8. Describe the Alleged Violation. State all pertinent facts to the alleged violation.** (Attach a detailed explanation and include all supporting information in your possession and describe the availability and location of any additional supporting information not in your possession.) Explain why you believe the act described constitutes a violation of the tax laws.

**I. Introduction Summary:** This alleged violation relates to a Tax Scheme regarding a § 1.170A-14 Conservation Easement. The Conservation Easement (hereafter "CE") was set up in 2001, and is held by North American Land Trust (hereafter "NALT"). The specific property is located in the affluent gated community of Big Canoe, GA. The property has undergone ownership change(s) since the original NALT CE. Three years after the CE was entered into, an Easement on the property was given to the local Water Utility (affiliated with the Developer). The Utility Company subsequently on a section of the property did (a) cut down trees to clear an area for a pumphouse and easement road, (b) built a Pumphouse on the Property, (c) built a road on the property, (d) built a dike across the waterway to impound water for removal, (e) began pumping millions of gallons of water out of the Surface Waters (Blackwell Creek) on the property.

**These examples represent 5 clear and specific violations of Section 2 of the Conservation Easement (Attached as Whistleblower Exhibit A, and also referenced in Whistleblower Exhibit B as the Baseline Study), excerpted below:**

**(a) is a violation of CE Section 2.5 excerpted below:**

*"No cutting of live timber or removal or destruction of live trees shall be permitted upon or within the Property."*

**(b) is a violation of CE Section 2.4 excerpted below:**

*"No Structure (hereinafter defined) of any kind shall be built, erected, installed, placed, affixed or assembled within or upon the Property or upon any trees or other natural features upon the Property. "Structure" shall mean any assembly of material forming a construction for occupancy or use for any purpose and erected upon or attached to the ground including, for example but not to limit the foregoing definition, the following: building, platform, shed, bin, shelter, dam, dike, tower, tank, antenna, and bulkhead."*

**(c) is a violation of CE Section 2.3 excerpted below:**

*"There shall not be constructed, cut, created or placed on the Property any road, driveway, cartway, path or other means or right of passage across or upon the Property if the same is to be used, nor may any road, driveway, cartway, path or other means or right of passage located on the Property be used, for access to any use (whether or not upon the Property) which is prohibited by this Conservation Easement."*

**(d) is a violation of CE Section 2.10 excerpted below:**

*"There shall be no dredging, channelizing or other manipulation of natural watercourses or any watercourses existing within the Property as of the date of this Conservation Easement."*

**(e) is a violation of CE Section 2.2 excerpted below:**

*"There shall be no removal of ground or surface water from the Property. No ground or surface water from the Property shall be removed, collected, impounded, stored, transported, diverted or otherwise used for any purpose or use prohibited by this*

Conservation Easement.”

**II. The Tax Payers / Owners / Parties:** There has been substantial change in ownership over the years, which may complicate this matter. There is also the issue of an Easement that was granted on the Property (*3 years after establishment of the CE*) to Big Canoe Water Utilities, and that Utility/Easement was sold to another Water Utility. **The historic and ongoing activities associated with said Easement are at the core of the Violations in regards to the CE.**

**NOTE: One of the original Attestor's for this particular Conservation Easement was one "Nancy Zak",** who has also been identified in a similar Enforcement Action, notably "Civil Action No. 1:18-cv-05774-AT United States v. Zak, et al." Ms Zak at the time worked for the Big Canoe Company (hereafter BCC) as Executive Vice President. **BCC owned the land at the time of the CE.** Following is the timeline of events to date:

- (a) The CE was executed on December 21, 2001. The CE was filed for Recording in Pickens County Georgia on December 27, 2001. The CE was actually recorded into the records of Pickens County Georgia, Book 435 Pages 782 - 802, on January 2, 2002. (See Whistleblower's Exhibit A)
- (b) NALT released a Baseline Documentation Report. There was an obvious lack of reference, including lack of photographic evidence, regarding any existing Roads, Clearings, Buildings, Gates, No Trespassing Signs, or Water Withdrawal Activities. (See Whistleblower's Exhibit B)
- (c) The CE Property was sold on the same day the CE was filed for Recording, December 27, 2001, to a corporate subsidiary of BCC - "Main Gate Investors" (hereafter "MGI"). (See Whistleblower's Exhibit C)
- (d) MGI sold the property back to BCC less than one year later, on November 1, 2002. (See Whistleblower's Exhibit D)
- (e) On September 28, 2004 a Plat was filed establishing the boundaries for an Easement for Big Canoe Utilities on the CE Property. (See Whistleblower's Exhibit E)
- (f) On November 19, 2004 an Easement was filed granting Big Canoe utilities the right to construct a Pumphouse on the CE Property, and the right of access. (See Whistleblower's Exhibit F)
- (g) **At some point around 2005 - 2007** a portion of the CE Property was graded and trees cut to support the addition of the Access Road and Pumphouse Building; the Pumphouse was built; the access road was created; the stream on the CE Property, Blackwell Creek, was impounded by an artificial dike; and upon completion of these items, Surface Water on the CE Property, from Blackwell Creek, began to be pumped out in substantial volume, exceeding millions of gallons. Since that time the system has expanded to the point that it now withdraws enough water to meet the needs of the Big Canoe Community, AND to sell water to the County. **The CE Property itself is no longer open to the Public**, but is marked with "No Trespassing" and "Authorized personnel Only" signs. This further **goes against the requirements found in § 1.170A-14(d)(2) relating to public access.** (See Whistleblower's Exhibit G) **The Violations listed in this section continue to this day.**
- (h) On August 10, 2006 the Conservation Easement was amended, slightly expanding the size of the CE Property, however for the intent and purposes of the alleged Violations,

the 2006 amended changes were irrelevant, as no immediate boundaries were changed in relationship to the Water Utility Easement thereon, and did not negate the activities causing the alleged Violations, nor was the property description amended to except the Easement Area, nor were the active violations acknowledged or exempted. This Amendment is referenced for clarity sake, but does not appear to impact, or be relevant to, the violations listed herein. (See Whistleblower's Exhibit H)

- (i) The CE Property was again sold on April 14, 2016 to the Big Canoe Property Owners Association (hereafter the "BCPOA"), which remains to this day the current owners of record. (See Whistleblower's Exhibit I)
- (j) On April 30, 2018, Big Canoe Water Utilities sold their assets to United Inc of Georgia (hereafter "UIG"), and this included the November 19, 2004 Easement for the Pumphouse and Right of Access on the CE Property. (See Whistleblower's Exhibit J)

**III. MISCELLANEOUS ADDITIONAL INFORMATION:** The following bits of information were gleaned from reviews of the historical records, and the legal deeds and agreements that are intertwined with this Conservation Easement Property. They may have some value to IRS or other Investigators, or perhaps just to the Community in the event that this devolves into a legal situation.

- (a) **While it might appear that the BCPOA is the current property owner** according to an April 14, 2016 Deed from Main Gate Investors LLC (MGI) to BCPOA (See Section II. (h) - also Whistleblower Exhibit I) - MGI had already previously sold the property back to the Big Canoe Company (BCC) on November 1, 2002 (See Exhibit D). **There is no record found that indicates that BCC ever redeeded the property to MGI, which might invalidate the 2016 sale to BCPOA.**
- (b) The Conservation Easement is still in existence, is still in substantial violation, and a review of the 2020 filed IRS Form 990 for BCPOA (See Whistleblower's Exhibit K) shows they are most likely still claiming a deduction.
- (c) When Big Canoe Utilities received the November 19, 2004 (Exhibit F) Easement that ultimately "broke" the Conservation Easement, they did so under the following clause:

¶4 "Grantee shall maintain the improvements within the Easement Area and hold Grantor, its successors and assigns, harmless from any occurrence and liability because of the construction and maintenance of the improvements within the Easement Area."

**This indemnification clause has transferred to the current Water Utility, "UIG", which may leave them liable for any penalties** that accrue in the eventuality that the IRS or other Agencies determine that these alleged violations of the § 1.170A-14 Conservation Easement. The fact that it is the private utilities (Big Canoe Utilities, and then UIG) that have actually profited from the Easements, and activities thereon, that have violated the Conservation Easement.

- (d) Further the the November 19, 2004 (Exhibit F) Easement claimed that it was simply a continuation of a previously existing Easement, stating in part the following clause:

¶2 "A permanent ingress and egress easement of 0.19 acres and a utilities and water easement as described in the Grant of Easement dated March 24, 1994 and recorded in Deed Book 219, Pages 160 - 161, Pickens County Georgia Records, on 0.04 acres, each tract more particularly described in that compiled Plat of Blackwell Creek Pump Station Tract, dated August 17, 2004 and recorded in Plat Book QQ, Page 9"

(See Whistleblower's Exhibit L for a copy of the referenced 1994 Grant of Easement)

**But that claim was FALSE (possibly fraudulent at the time),** and the referenced "Grant of Easement dated March 24, 1994" simply referenced a Dec 31, 1985 Deed in which the BCPOA was deeded specific lands NOT Associated with the CE Property, and did indeed contain a **general** "*utilities and water easement*" for the Developer (BCC) but that did not encompass this property in any fashion, as the CE Property was not a part of that Dec 31, 1985 Deed. **I write this only to make it clear that the 2004 Easement that violated the CE, was NOT in prior existence,** and by it's own language clearly references it's creation and existence to the August 17, 2004 filed Plat (Exhibit E).

**Note:** the Dec 31, 1985 Deed was filed in Dawson County Deed Book 87; Pgs 37 - 183. Due to it's length, it will not be printed and attached, but can be found online at the following webpage : [https://bigcanoewater.org/wp-content/uploads/2022/09/1985-12-31\\_WarrantyDeedSEHCtoBCPOA.pdf](https://bigcanoewater.org/wp-content/uploads/2022/09/1985-12-31_WarrantyDeedSEHCtoBCPOA.pdf) / The Specific Easement references can be found specifically in "Exhibit B" ¶13 (*Utility Easement*) and ¶17 (*Water Easement*). Note that this ONLY applied to the lands sold in that specific deed, of which the CE Property was not a part. The smaller file Exhibit B Excerpt can be found at the following webpage: [https://bigcanoewater.org/wp-content/uploads/2022/09/1985-12-31\\_WarrantyDeedSEHCtoBCPOAExhibitB.pdf](https://bigcanoewater.org/wp-content/uploads/2022/09/1985-12-31_WarrantyDeedSEHCtoBCPOAExhibitB.pdf)

- (e) § 1.170a-14(g)(6) Extinguishment. To the best knowledge of the submitter, there has been no required "*judicial proceeding*" addressing the "*change in the conditions surrounding the property that ..... make impossible or impractical the continued use of the property for conservation purposes...*"
- (f) Legal Notification in the form of an email (See Whistleblower's Exhibit M) with a linked Report (See Whistleblower's Exhibit N) was sent to the multiple representatives within the BCPOA, UIG, and NALT on March 26, 2019. BCPOA & UIG ignored the Notice, and have failed to address the issue.
- (g) NALT also ignored the Notice (See Section III.e. above), until they were contacted by telephone days later as a followup. In that telephone call, NALT attempted to claim that they already knew about the Easement violations at the time, but that they were pre-existing structures, easements and activities that they had received documentation regarding prior to the CE being entered into. This is interesting given that the Easement, Structure, Access Road, and Water Withdrawal activities did not commence until years after the CE was executed. It is possible that NALT acted in complicity, with willful and malicious intent, to defraud the Government in what appears to be an obvious § 1.170a-14 Tax Avoidance Scheme.
- (h) The reason for the delay in reporting this to the IRS through the Whistleblower, and other channels, is that for many years, the false claims of NALT were taken at face value; and it was only recently that investigations relating to other violations (*relating to Water Quality*) led to the accidental discovery of the records that showed the clear inaccuracy of NALT's previous attempts at explanation. (See Section III.f. above)
- (i) Nancy Zak's prior involvement has been noted. It is worth mentioning that in the early and mid 2000's, NALT worked with some of these same parties in establishing several other NALT Conservation Easements, all of which are now under the Ownership of BCPOA, and are currently listed on IRS 990 filings. *It is believed that Ms Zak "cut her teeth" so to speak on this specific Conservation Easement, and which acted as a springboard for her future activities in this area.*

**IV. VALUATIONS:** The amount of "appraisal value" of the property claimed at the time the CE was created is unknown, but I assume the Internal Revenue Service has access to those records. **The current value could run into the millions** as it now has been developed into a critical piece of the regional infrastructure, which supplies most of the water to the enormous community of Big Canoe, plus sells a substantial amount of water to the County.

**V. CONCLUSION:** This referenced Conservation Easement is in substantial violation of it's requirements as established under § 1.170a-14. It appears that the violations were knowingly and intentionally done as part of a Tax Avoidance Scheme. It is further apparent that the parties currently involved are equally aware of the situation, and are knowingly and intentionally participating in the violations. As such, **this Taxpayer requests that the IRS investigate, enforce the terms of the Conservation Easement, and if found to be justifiable, prosecute those involved, and seek all penalties or payments due to the maximum extent of the law.**

This information, and the referenced Exhibits, are being submitted pursuant to the Internal Revenue Service Code Section 7623, and as an attachment to IRS Form F211, Application for Award for Original Information.

So submitted this 5<sup>th</sup> day of October, 2022.

X   
\_\_\_\_\_  
David Hopkins



Form 211 ~ Application for Award for Original Information  
Supplemental Information Attachment – Question 9

8. Describe how you learned about and/or obtained the information that supports this claim.  
(Attach sheet if needed)

**WHISTLEBLOWER RESPONSE:**

The alleged violations involved a Tax Scheme regarding a specific § 1.170A-14 Conservation Easement (“CE”) Property. That property is located within the private Community of Big Canoe, GA - which is arguably one of the most exclusive and affluent communities in the region.

I am a property owner in that community, and by default a member of the Big Canoe Property Owners Association (. The community also has a Developer (“BCC”), and a Water Utility (formerly “BCU” and now “UIG”) that serves it. Most activity relating to the community, and the lands therein are governed by legal documents, including legally filed Declarations and Covenants. The community is 50 years old, has undergone multiple Developer changes, 2 changes to the Water Utility, a revolving door of POA Board Members, and revolving door of POA Management teams - all of which has been a petri dish for the breeding of confusion, incompetence and corruption of governance.

**I have been a resident and / or property owner of this community since October of 1999. In approximately 2018 I launched an online Newspaper ([www.BigCanoe.org](http://www.BigCanoe.org)) with the specific goal of investigating a suspicious land transaction between the Developer and the BCPOA. That investigation initially led me to the subject matter of this Submission. Through research of Deeds and Historical records, I discovered anomalies in the legal and historical record. My research into this paused in 2019 when I was distracted by false explanations on the subject, provided by North American land Trust (“NALT”) representatives. They basically lied about what certain historical information and assured me they were on top of things.**

**In 2022 a new issue with the new Water Utility (“UIG”) got me restarted on the investigation, and led me to question NALT’s original 2019 explanations. I dug deeper into historical records and deeds - and ultimately came away with the conclusions and information submitted here. I have spent substantial time and monies on this.**

**I am now currently as certain as can be that the alleged violations herein are indeed ACTUAL Violations, and that the BCPOA, multiple iterations of the Developer, and now two Water utilities are complicitly involved in the intentional and knowing violation of the reference § 1.170A-14 CE Property, and that the current Water utility is only operational through substantial violation of the CE Covenants, and § 1.170A-14 requirements. It appears that the CE needs to be extinguished under judicial proceedings as required by § 1.170a-14(g)(6); that investigation into the responsibility of all parties be conducted, including NALT; and that Taxpayers be made whole.**

This information, and the referenced Exhibits, are being submitted pursuant to the Internal Revenue Service Code Section 7623, and as an attachment to IRS Form F211, Application for Award for Original Information.

So submitted this 5<sup>th</sup> day of October, 2022.

X David Hopkins  
David Hopkins



Form 211 ~ Application for Award for Original Information  
Supplemental Information Attachment – Question 15

15. Describe the amount of tax owed by the taxpayer(s). Provide a summary of the information you have that supports your claim as to the amount owed (i.e. books, ledgers, records, receipts, tax returns, etc). (Attach sheet if needed)

**WHISTLEBLOWER RESPONSE:**

The alleged violations herein involve a Tax Scheme regarding a specific § 1.170A-14 Conservation Easement ("CE") Property.

I am not aware of the initial valuations claimed by the "Owner / Taxpayer(s)" initially, nor over the years. I assume the Internal Revenue Service has access to that information.

In regards to the current Valuation of the property (ref: § 1.170a-14(h)), or the Substantiation thereof (ref: § 1.170a-14(i)), I do not have access to the records of the parties involved, but can only offer the following opinion / observation, which may be of guidance:

**The current "fair market" value could easily run into the millions.**


In 2001 the CE Property entered into a legally binding "Perpetual Conservation Restriction". After making this contribution, the requirements of the Conservation Easement, and of § 1.170a-14 were knowingly and intentionally ignored/violated, and a few years later **the property was developed into what it is today - a very Valuable and Critical piece of Infrastructure land that has become THE MOST VALUABLE SINGLE SOURCE OF DISTRIBUTED WATER WITHIN THE COMMUNITY OF BIG CANOE, AND WITHIN THE OVERALL EASTERN PICKENS COUNTY, GA REGION.** And this was only made possible by the violations.

**I have provided as much information as has been made available to me, or that I could dig up. I feel confident that the Internal Revenue Service Investigators can and will, through the exercise of their substantial powers, go the last mile in this investigation, and discover the true value of the CE Property in question, which would be the basis for any "Tax owed" that may have accrued due to the alleged violations.**

**There are millions of dollars being generated every single year, on an ongoing basis, from the water withdrawals occurring on this CE Property - all made possible by the alleged violations that are occurring.**

This information, and the referenced Exhibits, are being submitted pursuant to the Internal Revenue Service Code Section 7623, and as an attachment to IRS Form F211, Application for Award for Original Information.

So submitted this 5th day of October, 2022.

X   
\_\_\_\_\_  
David Hopkins

