

interest calculation confirms (document FTB page 22). He told me that my remaining balance due was \$28.20, which is \$7.05 more than what the bill issued on 02-11-16 stated was owed.

I paid this \$28.20 via Webpay on 02-24-16 (proof enclosed), but FTB never pulled the money from my account. On 03-16-2016, FTB issued another notice stating that the balance due was \$28.20, so it appears that the FTB representative was able to manually change the system to reflect a higher amount of interest than was actually due.

These two payment were made prior to our filing our tax year 2013 returns. Once we filed, the tax liability amount was amended and our interest was re-calculated. Per the enclosed 2013 amortization record (document FTB page 22), we were overcharged interest by 45 cents.

3. FTB withholds some of the payments collected to make it appear that the taxpayer has a higher outstanding balance than he does, and thus charges more interest than is due.

AND

4. On payments that have been applied, portions of the payment vanish from the interest calculation screen, despite the fact the full payment amount seems to appear in the rest of FTB's records.

It appears that, just as is the case with the Notices of Proposed Assessments, FTB does not credit all payments made by/on behalf of the taxpayers.

We filed our tax year 2013 returns on 08-03-2016 and our tax year 2014 returns on 01-25-2017. As you can see from FTB document page 030, which is an internal ledger, by 08-03-2016, FTB had received [redacted] in estimated tax payments via the following payments:

04-15-2015	\$30,905	From my husband's employers
04-15-2015	\$1,106	SDI overpayment
02-08-2016	\$2,751.05	Bill payment (this was the excess from the \$7,230.77, once the 2013 tax liability was re-calculated after we filed our 2013 returns)
05-31-2016	\$28.20	Bill payment (this payment had been intended for 2013)
08-03-2016	[redacted]	credit elect (backdated on FTB ledger per R&TC 19363)
08-03-2016	[redacted]	credit elect (backdated on FTB ledger per R&TC 19363)

Enclosed is a bill issued by FTB dated 05-24-2017. This bill states that FTB had collected a total of \$29,388.25 in payments from us. This amount didn't even reflect the full amount of money collected by my husband's employers, let alone any of the other payments that FTB had received from us.

Per documents FTB 028 and 030, FTB imposed the 2014 demand penalty on us on 05-09-2016. It appears that, for the purposes of calculating interest, as of 05-09-2016, FTB had only credited a partial payment from my husband's employers for \$26,609. The remaining \$4,296 collected by my husband's employer is unaccounted for (for the purposes of calculating interest). It appears that FTB also credited the payment of \$2,751.05 that had been made on 02-08-16, prior to the imposition of the demand penalty. On 05-31-2016, FTB credited the payment of \$28.20. The payment of \$1,106 is also unaccounted for (for the purposes of calculating interest).

As you all know, I believe that demand penalties never should have been imposed on us for tax year 2014. But, putting aside my personal views and focusing solely on FTB policies and procedures, if FTB had fully credited all payments in compliance with the law, then the records would reflect the following:

Our tax liability for 2014: \$26,609 due 04-15-2015
+ Demand penalty: \$6,652.25 imposed on 05-09-16
= Total liability as of 05-09-16: \$33,261.25

Payments received as of 05-09-2016: \$34,762.05.

It is my belief that all \$146.86 in interest imposed for tax year 2014 was fraudulently imposed since our liability was already paid in full and there was no balance left on which interest could accrue.

I expect FTB to end these all four of these unlawful activities immediately. Thank you for your attention to this matter.

Regards,



Christine Grab

Cc: Governor Newsom
FBI
CA Auditor Office

3B

INTEREST INFORMATION DISPLAY

10/15/20

GRAB

TAXPAYER ID : [REDACTED] SPOUSE ID : [REDACTED] TAX YEAR : 11 APE : 1211

INT WAIVED : 0.00 INT STIPULATED :
INT UNPAID TO DATE : 0.00 TOTAL INT CHARGED : 143.99
INT PAID TO DATE : 143.99 TOTAL INT ALLOWED : 0.00

Table with 5 columns: LN, LIAB/CR TYPE, INTEREST BEARING LIAB/CR BAL AMT, CHARGED/ALLOWED BEGINNING ENDING, CHARGED/ALLOWED INTEREST AMT. Row 1: 1 DEMAND PEN, 3,540.75, 03/11/13 07/09/14, 143.99

X .03

\$106.2225 YR

365 = .2910 PER Diem X 485 =

\$141.14 total

INTEREST COMPUTATION DETAIL DISPLAY

10/15/20

GRAB

TAXPAYER ID : [REDACTED] SPOUSE ID : [REDACTED] TAX YEAR : 11 APE : 1211

LIAB/CR TYPE : DEMAND PEN LIAB/CR AMOUNT : 3,540.75

Table with 5 columns: CHARGED/ALLOWED BEGINNING ENDING, DAYS, RATE, CHARGED/ALLOWED INTEREST AMT. Row 1: 03/11/13 07/09/14, 485, 3, 143.99

Exhibit 41

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...you need to do something different. Or, she is assured that whatever the current problem was had been rectified, only to later find out "No, we misinformed you. It isn't rectified at all." Let's go back to the example above with the wage garnishment. Debbie told us it was possible to put a hold on the account to stop any issuing of liens or garnishments. Later we found out it wasn't possible (of course, this doesn't change the fact that you shouldn't be issuing wage garnishments when someone is owed a refund).

Or, for a more recent example of being told erroneous information, on June 2, 2014, Christine spoke with Carrey at 9 [REDACTED] regarding the balance due on the 2011 tax return due to the penalties and fees. Carrey told Christine that she could transfer money to cover the balance due on 2011 with the refund from 2011 that had been applied to 2012. A month later, we got a nasty gram from the FTB claiming no money had been paid. When Christine called Carrey on July 9, 2013 for an explanation, Carrey said "Oh, yeah... it turns out that the system wouldn't let me pay the 2011 balance with that money..." Sigh. Carrey never bothered to call back to tell us she'd given us incorrect information, she just let another month of interest accrue. We wish this example with Carrey was a one off event, but it is actually a very typical FTB interaction. In almost every single phone call to the FTB, we are given erroneous information. There seems to be no consistency or rhyme or reason to your operating system there. So Christine has literally wasted months doing the wrong thing at the FTB's behest and/or wasted months not taking action because we were told the wrong information by the FTB.

Just so that you can fully appreciate the FTB's utter incompetence, I will continue on with the story above of Carrey and the late fee... when we filed our 2012 tax returns in June 2014, we subtracted the \$3,972 penalty from the amount that rolled over from 2011, as Carrey had told us to. On July 9, when we found out the late fee could not come from the 2012 overage, Carrey told us we had no choice but to pay the balance (which was now only \$3,855, so Carrey must have figured it out wrong when she totaled it in June). So we paid it in full right then via the website. Then we had her check our tax returns. The \$3,972 was not applied to 2011, nor was it applied to 2012. It's completely and totally missing. I've talked to Carrey several more times since then and she has yet to be able to track the money.

But wait, there is more!!! On July 15, 2014, the FTB mailed us a notice saying that we still owed \$6,240.29 on our estimated 2011 tax returns. On June 2, when we talked to Carrey, she confirmed that our 2011 returns had already been processed. I again called Carrey, who confirmed it was an error; the 2011 returns were paid in full. Our 2011 taxes were filed in February 2014 and we know for a fact it was processed before May 20th. So why are you sending harassing nasty grams regarding estimated taxes almost two full months after you've processed said taxes?

This latest error on the part of the FTB - losing our \$3,972 -- is costing me a tremendous amount of time and aggravation, and preventing me from working on the 2013 taxes.

I would like to remind you that these kinds of mistakes and errors are not unique to Carrey - they have happened with pretty much every single person I have worked with at the FTB over the last few years. And pretty much every interaction I've had with the FTB is equally shocking and unbelievable as the ones I've relayed in this

Excerpt from 2011 Abatement request
Submitted to FTB 8-11-2014

22

CHRISTINE N GRAB

ID Type / Number: SSN [REDACTED]

TPID: [REDACTED]

Taxpayer Status:

Received Payment

Amount: \$7,230.77 DLN: 1601528210M Bank Account Number: [REDACTED]

Received Date: 02/02/2016 Method: Check Bank Routing Number: [REDACTED]

Posted Payment

Amount: \$2,751.05 Effective Date: 02/08/2016 TPID: [REDACTED]

Status: Applied Type: Bill Spouse TPID:

Tax Year: 2014 APE: 12/31/2014

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CHRISTINE N GRAB

ID Type / Number: SSN [REDACTED]

TPID: [REDACTED]

Taxpayer Status:

Received Payment

Amount: \$7,230.77 DLN: 1601528210M Bank Account Number: [REDACTED]

Received Date: 02/02/2016 Method: Check Bank Routing Number: [REDACTED]

Posted Payment

Amount: \$4,479.72 Effective Date: 02/08/2016 TPID: [REDACTED]

Status: Applied Type: Bill Spouse TPID:

Tax Year: 2013 APE: 12/31/2013

6 day delay in applying \$

CHRISTINE N GRAB

ID Type / Number: SSN [REDACTED]

TPID: [REDACTED]

Taxpayer Status:

Received Payment

Amount: \$28.20 DLN: 1600033784W Bank Account Number:

Received Date: 02/24/2016 Method: EFT Web Pay Bank Routing Number:

Posted Payment

Amount: \$0.00 Effective Date: 02/24/2016 TPID: [REDACTED]

Status: Dishonored Type: Bill Spouse TPID:

Tax Year: 2013 APE: 12/31/2013



3C

INTEREST INFORMATION DISPLAY

10/14/20

GRAB

TAXPAYER ID : [REDACTED] SPOUSE ID : [REDACTED] TAX YEAR : 13 APE : 1213

INT WAIVED : 0.00 INT STIPULATED : INT UNPAID TO DATE : 0.00 TOTAL INT CHARGED : 66.47 INT PAID TO DATE : 66.47 TOTAL INT ALLOWED : 0.00

LN	LIAB/CR TYPE	INTEREST BEARING LIAB/CR BAL AMT	CHARGED/ALLOWED BEGINNING	CHARGED/ALLOWED ENDING	CHARGED/ALLOWED INTEREST AMT
1	DEMAND PEN	4,413.25	08/10/15	02/08/16	66.47

$4,413.25 \times .03 = 132.3975$
 $\div 365 = .3627$ PER DIEM = **\$51.8661**

OVERCHARGED by 30 cents

INTEREST COMPUTATION DETAIL DISPLAY

10/14/20

GRAB

TAXPAYER ID : [REDACTED] SPOUSE ID : [REDACTED] TAX YEAR : 13 APE : 1213

LIAB/CR TYPE : DEMAND PEN LIAB/CR AMOUNT : 4,413.25

CHARGED/ALLOWED BEGINNING	CHARGED/ALLOWED ENDING	DAYS	RATE	CHARGED/ALLOWED INTEREST AMT
08/10/15	12/31/15	143	3	52.17
12/31/15	02/08/16	39	3	14.30

$4413.25 \times .03 = 132.3975$ PER YR
 $.3627$ PER DIEM

$\$51.87 + 14.15 = 66.02$
 OVERCHARGED by 45¢ total

$.3627 \times 39 \text{ days} = \14.1453
 OVERCHARGED by 15 cents

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INTEREST COMPUTATION DETAIL DISPLAY

10/14/20

GRAB

TAXPAYER ID : [redacted] SPOUSE ID : [redacted] TAX YEAR : 14 APE : 1214

LIAB/CR TYPE : DEMAND PEN LIAB/CR AMOUNT : 3,873.00

CHARGED/ALLOWED BEGINNING ENDING		DAYS	RATE	CHARGED/ALLOWED INTEREST AMT
05/31/16	12/31/16			
12/31/16	06/12/17	163	4	71.04

Should have been charged

\$137.30

was charged

\$139.57

\$7.27 over

$$\begin{array}{r} 3873 \\ \times .03 \\ \hline \$116.19 \end{array}$$

$$3183 \times 214 \text{ days} = \$68.12$$

$$\frac{116.19}{365} = .3183 \text{ per diem}$$

$$\begin{array}{r} \$3,873 \\ \times .04 \\ \hline \$154.92 \end{array}$$

$$\frac{154.92}{365} = .4244 \text{ per diem}$$

$$.4244 \times 163 \text{ days} = \$69.18$$

INTEREST COMPUTATION DETAIL DISPLAY

10/14/20

GRAB

TAXPAYER ID : [redacted] SPOUSE ID : [redacted] TAX YEAR : 14 APE : 1214

LIAB/CR TYPE : INT OWED AMT LIAB/CR AMOUNT : 7.04

CHARGED/ALLOWED BEGINNING ENDING		DAYS	RATE	CHARGED/ALLOWED INTEREST AMT
05/31/16	12/31/16			
12/31/16	06/12/17	163	4	0.13

$$\begin{array}{r} 7.04 \\ \times .04 \\ \hline .2816 \text{ per yr} \\ \div 365 \\ \hline .000771 \text{ per diem} \\ \times 163 \\ \hline .125 \end{array}$$

$$\begin{array}{r} 7.104 \\ \times .03 \\ \hline .2124 \end{array}$$

$$\frac{.2124}{365} = .000578 \text{ per diem} \times 214 = .12$$

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ERIC W GRAB

ID Type / Number: SSN [REDACTED] TPID: [REDACTED] Taxpayer Status:

Current Totals

Balance: \$0.00 Penalties: Interest: Debit or zero balance

Summary

Tax Year: 2014 APE: 12/31/2014 Tax Year Status: Debit or zero balance
 TPID: [REDACTED] Return Due Date: 04/15/2015 Return Filed Date: 01/25/2017
 Spouse Name: CHRISTINE N GRAB Spouse SSN: [REDACTED]
 Assessment Type: Self Assessment Revenue Code: 2003800 Pending Items: No
 Holds: Yes Hold Date: LITIGATION
 Tax Year Balance: \$0.00 Last Transaction Date: JOINT

Ledger

TOT TAX LIAB: \$26,808.00 TAX WITHHELD: \$30,905.00
 Effective Date Type Debit Amount Credit Amount
 TOT INT CHRGD \$148.86 \$0.00

- 06/12/2017 BILL PAYMENT
- 05/31/2016 BILL PAYMENT
- 05/09/2016 DEMAND PEN
- 05/09/2016 FE COST FEE
- 02/08/2016 BILL PAYMENT
- 04/15/2015 EXCESS SDI CR
- 04/15/2015 EST TR TO 15
- 04/15/2015 EST TR TO 15
- 04/15/2015 DELING PEN
- 04/15/2014 EST TR TO 13
- 04/15/2014 EST TR FR 13
- 04/15/2014 EST TR FR 13

Pending Items List

Item Type/Source APE Effective Date Amount
 No Items

(31)



STATE OF CALIFORNIA
 FRANCHISE TAX BOARD
 PO BOX 942840
 SACRAMENTO CA 94240-0040

November 29, 2017
 2014

LETTER ID: EC 17-01705339 MAKER: 308: :CEC

CHRISTINE N GRAB

In response to your recent communication, the following is a summary of your personal income tax account with the State of California.

ITEM NAME	DATE	DEBITS	CREDITS
Total Tax Liability	04/15/2015		
Tax Withheld	04/15/2015		
Excess SDI Credit	04/15/2015		
Bill Payment	02/08/2016		
Bill Payment	05/31/2016		
Bill Payment	06/12/2017		
Estimate Transfer from 2013	04/15/2014		
Estimate Transfer from 2013	04/15/2014		
Estimate Transfer to 2015	04/15/2015		
Demand Penalty	05/09/2016		
Total Interest Charged		146.86	
FTB Adjustment*	06/15/2017		8.37
Total Credit			
Total Debit			
Total Balance			\$0.00

*Note: Franchise Tax Board (FTB) may adjust an account when the processing costs exceed the amount of the adjustment.

The above computation lists all tax liabilities, penalties, fees, interest, and payments that we have applied to the tax year shown (as of the date of this letter). If there is a balance due, interest will continue to accrue until you pay the balance in full.

Internet and Telephone Assistance

Website: ftb.ca.gov
 Telephone: 800.852.5711 from within the United States
 916.845.6500 from outside the United States
 TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

*cost
 10.4
 Penalty*

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INTEREST INFORMATION DISPLAY

10/14/20

GRAB

TAXPAYER ID : SPOUSE ID : TAX YEAR : 14 APE : 1214

INT WAIVED : 0.00 INT STIPULATED :
INT UNPAID TO DATE : 0.00 TOTAL INT CHARGED : 146.86
INT PAID TO DATE : 146.86 TOTAL INT ALLOWED : 0.00

Table with columns: LN, LIAB/CR TYPE, INTEREST BEARING LIAB/CR BAL AMT, CHARGED/ALLOWED BEGINNING ENDING, CHARGED/ALLOWED INTEREST AMT. Rows include DEMAND PEN and INT OWED AMT.

Payment of \$28.20 made on 5/31 was designated for 303

Handwritten note: where did these #s come from? with arrows pointing to table entries.

INTEREST COMPUTATION DETAIL DISPLAY

10/14/20

GRAB

TAXPAYER ID : SPOUSE ID : TAX YEAR : 14 APE : 1214

LIAB/CR TYPE : DEMAND PEN LIAB/CR AMOUNT : 3,901.20

Table with columns: CHARGED/ALLOWED BEGINNING ENDING, DAYS, RATE, CHARGED/ALLOWED INTEREST AMT. Row shows 05/09/16 to 05/31/16 for 22 days at rate 3, resulting in interest of 7.04.

Handwritten calculation: 3206 PER day x 22 days = \$7.054

Handwritten note: Balance should have gone down by \$28.20

Handwritten calculation: \$3901.20 x .03 / 365 = .3206 per diem

Handwritten circled number: 33

INTEREST COMPUTATION DETAIL DISPLAY

10/14/20

GRAB

TAXPAYER ID : [REDACTED] TAX YEAR : 14 APE : 1214
SPOUSE ID : [REDACTED]
LIAB/CR TYPE : DEMAND PEN LIAB/CR AMOUNT : 3,873.00

Should have been changed

\$137.30

was changed

\$139.57

\$7.27 over

CHARGED/ALLOWED BEGINNING ENDING DAYS RATE CHARGED/ALLOWED INTEREST AMT

CHARGED/ALLOWED BEGINNING	CHARGED/ALLOWED ENDING	DAYS	RATE
05/31/16	12/31/16	214	3
12/31/16	06/12/17	163	4

68.53
71.04

\$3,873

x .04

\$154.92 ÷ 365 =

.4244 per diem x

163 days =

\$69.18

3873
x .03

\$116.19

3183 x 214 days = \$68.12

\$116.19 ÷ 365 = .3183 per diem

INTEREST COMPUTATION DETAIL DISPLAY

10/14/20

GRAB

TAXPAYER ID : [REDACTED] TAX YEAR : 14 APE : 1214
SPOUSE ID : [REDACTED]
LIAB/CR TYPE : INT OWED AMT LIAB/CR AMOUNT : 7.04

7.04
x .04

.2816 per yr

÷ 365

.000771 per diem

x 163

.125

CHARGED/ALLOWED BEGINNING ENDING DAYS RATE CHARGED/ALLOWED INTEREST AMT

CHARGED/ALLOWED BEGINNING	CHARGED/ALLOWED ENDING	DAYS	RATE
05/31/16	12/31/16	214	3
12/31/16	06/12/17	163	4

0.12
0.13

OK

7.04
x .03

.2112 yr

.2112 yr ÷ 365 = .000578 per diem x 214 = .12

TAX YEAR CURRENT VALUES DISPLAY

10/13/20

GRAB

TAX YEAR: 14 APE: 1214

LN	ITEM NAME	EFFECTIVE DATE	CURRENT VALUES	
			DEBIT	CREDIT
1	TOT TAX LIAB	041515	26,609.00	
2	TAX WITHHELD	041515		30,905.00
3	EXCESS SDI CR	041515		1,016.00
4	BILL PAYMENT	020816		2,751.05
5	BILL PAYMENT	053116		28.20
6	BILL PAYMENT	061217		4,011.49
7	EST TR TO 13	041514		
8	EST TR FR 13	041514		
9	EST TR TO 15	041515		
10	EST TR FR 13	041514		
11	EST TR TO 15	041515		
12	DELINQ PEN	041515		
13	DEMAND PEN	050916		
14	TOT INT CHRGD		6,652.25	
15	FE COST FEE	050916	146.86	
16	WRITE-OFF	061517		8.37
TOTALS			:	
CURRENT BALANCE			:	0.00

Total interest charged: 146.86
 Correct #'s: 68.12
 + 69.18
 + 7.29
144.59

- 68.53 > pg 29
 - 71.04

 7.29
 - 7.04 pg 28

 25 cents

Overcharged by \$2.27

35



05241714+++++++1213688338000000000000000000000000040114962

Notice of State Income Tax Due

Mark box and write new address on reverse.

CHRISTINE N GRAB

Account Number: [REDACTED]

Tax Year: 2014

Balance: \$4,011.49

Due Date: 06/08/2017

Detach and mail with your payment. Do not mail top voucher if you paid electronically.

Notice of State Income Tax Due

Notice Date: 05/24/2017
 Notice ID: 1718BNKIRIE5

Account Number: [REDACTED]

This notice summarizes the balance that is now due and payable on your personal income tax account with the State of California. The Account Balance Summary below provides specific details. If you owe for any other tax years, we will mail a separate notice. No additional interest accrues if we receive full payment within 15 days from the notice date. If you think you do not owe this balance, call 800.852.2753 or TTY/TDD 800.822.6268.

The balance due reflects all payments and/or credits posted through 05/19/2017. If you paid the full balance after this date, disregard this notice. If you paid the full balance before this date, contact us immediately with proof of payment. If you write to us, provide a daytime or evening telephone number. We may need to call you for additional information.

If we do not receive your balance payment in full within 30 days from the notice date, we may begin collection action against you, such as file and record a Notice of State Tax Lien against your property and impose a collection cost recovery fee.

How to Pay Your Balance

- If you are required to pay electronically, go to ftb.ca.gov and search for **mandatory e-pay** for payment methods. Penalties apply if you pay by other means.
- **Online and other payment options:** Go to ftb.ca.gov and search for **payment options**.
- **Check or money order:** Make payable to the **Franchise Tax Board**, write your full name and account number on your payment. Mail your payment and top voucher in the enclosed envelope or to the address above.

Account Balance Summary

Tax Year	Tax	Penalty	Penalty Codes	Interest	Collection Costs	Payments and Adjustments	Total
2014	\$26,609.00	\$6,652.25	D	\$138.49		\$29,388.25	\$4,011.49
	- 29,388.25	- 2,779.25				\$30,905 From Employer	
	- 2,779.25	3873 due				[REDACTED] other payments	
						\$1,016 Excess SDI	
Other Liability Codes ▶					Other Liability Total ▶		
					Balance ▶		\$4,011.49

See enclosed FTB 1140 EDR, *Personal Income Tax Collections Information*
 See penalty and other liability codes on reverse.

(\$1549.75 Vanished)
is add in #128,201
a total of \$1557.95

360