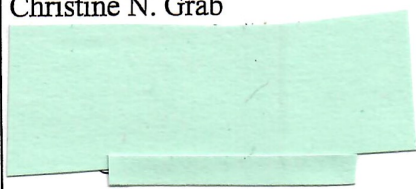


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Christine N. Grab


CHRISTINE N. GRAB, IN PRO PER

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

CHRISTINE N. GRAB

Plaintiff(s),

vs.

THE CALIFORNIA FRANCHISE TAX BOARD

Defendant(s).

) Case No.: 37-2020-00005100-CL-BT-CTL
)
) **PLAINTIFF CHRISTINE N. GRAB'S**
) **MEMORANDUM OF POINTS AND**
) **AUTHORITIES IN OPPOSITION TO**
) **DEFENDANT FTB'S MOTION FOR**
) **SANCTIONS AND IN SUPPORT OF**
) **PLAINTIFF'S MOTION FOR SANCTIONS**
) **AGAINST FTB PURSUANT TO CRC 2.30**
)
) **DATE: MARCH 25, 2022**
) **TIME: 9:00 am**
) **DEPT: C-67**
)
) Judge: The Honorable Eddie C. Sturgeon
) Action Filed: January 29, 2020
) Trial Date: June 3, 2022

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1 **I. General Opening:**

2 The first half of this Motion details why the Motion for Sanctions filed by Defendant California
3 Franchise Tax Board dated 09-01-2021 is frivolous, as the grounds stated for this Motion are based on lies
4 and deception. The false arguments only thinly veil the true purpose of the Motion: harassment and
5 retaliation for exposing FTB's unlawful activities, obstruction of justice to preclude further inquiry into the
6 fraudulent business practices engaged by FTB, and to cause me to abandon criminal charges against Carrey
7 Burton-Beilby, Alexis Bear, Chelsea Hubbard, Keith Swank, Anna Barsegyan, and others for matters which
8 are beyond the scope of this case.

9 On Page 12 of the Memorandum for her Motion for Sanctions dated 09-01-2021, Deputy Attorney
10 General Barsegyan wrote: "Without court intervention, Plaintiff will continue with her...conduct." On page
11 13, she wrote that the purpose for the sanctions is "to deter and preclude Plaintiff from continuing in
12 her...behavior." The conduct/behavior that Deputy Attorney General Anna Barsegyan was referring to was
13 gathering evidence of FTB's unlawful activities and reporting the unlawful activities to the proper
14 magistrate.

15
16 First of all, I believe this Motion should be dismissed because CCP 128.7 (c), which says the Motion
17 cannot be filed until 21 days *after* it has been served. Defendant served me after the Motion was already
18 filed. As I discuss below in section *VB: Violation of Rule 1.201*, I believe the hasty filing without proper
19 service to be *prima-fascia* evidence that the true purpose of this Motion was to intimidate, threaten and
20 harass me.

21 Furthermore, all of the arguments Defendant made in the Motion for Sanctions dated 09-01-
22 2021 violate CCP 128.7 (b). There are three main issues at hand:

23 **I.A. Issue 1:** The Motion violates CCP 128.7 (b), which states that the paper cannot be presented
24 for an improper purpose. FTB has boldly stated that they request that San Diego Superior Court
25 (SDSC) stop me from, and punish me for, collecting evidence in order to pursue legal recourse
26 against FTB for matters which are beyond the scope of this particular case. This is a civil case
27 seeking refund of penalties, interest and fees.
28

1 At the time that Anna Barsegyan filed the Motion for Sanctions, she and FTB were aware that I was
2 drafting a Criminal Complaint against two FTB employees for defrauding me. In the Declaration of Grace
3 LeBleu in Support of Defendant's Motion for Sanctions that FTB submitted, exhibit A is a letter that I sent to
4 FTB in which I wrote "I am writing to request information on these two employees so that I can file formal
5 criminal charges against them."

6 Ms. Barsegyan and FTB were also aware that I was planning to pursue additional Criminal Complaints
7 against twelve more people -- including Deputy Attorney General Anna Barsegyan herself -- for covering up
8 criminal activities. A Federal Criminal Complaint is a different type of case than this one, with different
9 grounds that extend beyond the scope of this case, in a different court system, and with no request for
10 monetary remuneration.

11 I also have a right to file another civil suit in San Diego Superior Court in pursuit of damages caused
12 by FTB's numerous violations of my rights, which again are issues beyond the scope of this particular case.

13 I have the right to gather evidence for these other matters. I believe that FTB's request that I be
14 punished within this particular civil case for pursuing legal recourse for issues that are outside of this civil
15 case can be considered retaliation, harassment, obstruction of justice, and an abuse of the Superior Court's
16 justice system.
17

18
19 **II.B. Issue 2:** The Motion further violates CCP 128.7 (b), which states that the arguments must be
20 warranted by existing law and that the denial of factual contentions is warranted by the evidence.
21 The arguments that Deputy Attorney General Anna Barsegyan made in the Memorandum of Points
22 and Authorities are misleading. Via deceptive, misleading and false statements, she has repeatedly
23 misrepresented the grounds of the case, the facts of the case, the contents of the laws, and FTB
24 policy and procedure. The reality is that Ms. Barsegyan has offered no valid defense; her entire
25 defense argument is a false façade based on nothing but lies and deception.
26

27 By grossly misrepresenting the facts of situation in her Motion for Sanctions dated 09-01-2021, Anna
28 Barsegyan has essentially requested that Your Honor sanction me for making factually correct statements

1 that were supported by law and were substantiated by evidence that had been submitted to this court. Ms.
2 Barsegyan has further requested that Your Honor sanction me for destroying her false façade by pointing out
3 to Your Honor the numerous deceptive, misleading and false statements made by herself, Keith Swank and
4 Chelsea Hubbard.

5 Ironically enough, the deceptive tactics that she utilized in the Motion for Sanctions dated 09-01-2021
6 are the same tactics that I have been pointing out to Your Honor since the Motion to Compel Further
7 Documents hearing on 05-28-2021. Just as every one of the allegations of deception and false statements that
8 I have made in the past was substantiated by legal statutes and by evidence that had been submitted to the
9 court, the new allegations that I present in this Plaintiff's Opposition to Defendant's Motion for Sanctions
10 and Plaintiff's Motions for Sanctions are also substantiated by legal statutes and evidence.

11 On page 13 of the Memorandum, Ms. Barsegyan wrote "Additionally, nonmonetary sanctions – such
12 as an order precluding Plaintiff (1) from advancing baseless allegations... are also necessary..." Anna
13 Barsegyan again has boldly stated that the true purpose of this Motion is to obstruct justice by improperly
14 utilizing this court to silence me. It is unconscionable that she is attempting to suppress my right to speak,
15 and that she has requested that Your Honor become a co-conspirator in covering up her client's unlawful
16 standard operating business practices by silencing me.
17

18
19 **I.C. Issue 3:** The Motion further violates CCP 128.7 (b), which also states that factual contentions
20 and allegations are warranted by the evidence. The specific allegations that Anna Barsegyan made
21 is that I did not have reasonable cause to contact FTB employees nor other agencies to collect
22 evidence. As I document below, each contact that I made with FTB that Ms. Barsegyan complained
23 about in her Motion for Sanctions dated 09-01-2021 was proper and justified. Ms. Barsegyan has
24 omitted pertinent information and made several misleading and false statements to make the
25 situation seem otherwise.
26
27
28

1 **I.D. Sanctions Against Defendant per CRC 2.30:** In Sections V and VI of this Motion, I detail
2 why I believe, per CRC 2.30, that I am entitled to Sanctions for “failure without good cause to apply
3 to the applicable rules.” I believe that my husband and I are entitled to Sanctions for the following
4 violations: 1. Code Civ. Proc., §128.5, frivolous actions that are (1) “totally and completely without
5 merit”; or (2) for the sole purpose of harassing an opposing party, 2. California Rules of the Court,
6 Rule 1.201: failure to redact personal information, and 3. CRC 3.1348: failure to provide discovery.
7

8
9 **II. Arguments for Issue # 1: FTB has requested sanctions from SDSC to punish me for**
10 **pursuing legal remediation against FTB for matters that are beyond the scope of this case.**

11 This pending case is a civil case with a simple premise: 1. My husband and I believe that the
12 Notices of Proposed Assessments (NPA) issued to us for tax years 2010 and 2013 were issued in
13 violation of R&TC 19087, which states that a Demand Penalty cannot be imposed if the taxpayer
14 has timely paid the tax liability in full (as assessed by FTB), nor can a Demand Penalty be imposed
15 unless a NPA had been issued in the prior four years. 2. We also believe that, per R&TC 19133, we
16 are not liable for the penalties, fees and interest for 2011, 2013 and 2014 because we had reasonable
17 cause for filing late: being victimized by FTB’s own extensive accounting irregularities.
18

19 I have documented that the NPA issued to us for tax year 2010 and 2013 were issued in
20 violation of R&TC 19087. For both 2010 and 2013, we had paid the assessed tax liability in full, but
21 FTB had not applied our payments to our account, thus making it falsely appear that we had
22 underpaid, and thus falsely issuing the NPAs (exhibits 2, 7 and 8 for 2010, exhibit 2, 19, 20 and 52,
23 page 46 for 2013). The penalties for 2011 and 2013 would not have been imposed had FTB
24 immediately credited our estimated tax payments to our account (exhibit 48, pages 18 – 20).
25

26 I seek a precedential ruling to determine if FTB’s standard operating practice of withholding
27 timely made estimated tax payments from the taxpayers account until after the imposition of
28 penalties is lawful. I also seek a precedential ruling to determine if it is lawful for FTB to demand

1 additional payments of monies towards that year's tax liabilities which would not have been due
2 had the estimated tax payments been timely applied.

3 What should have been a simple case has become complicated because FTB has continually
4 refused to address the issues set forth in my Complaint, including refusal to acknowledge the
5 existence of the withholding practice (neither to confirm nor deny), refusal to acknowledge the
6 contents of R&TC 19087, refusal to acknowledge or disclose information regarding FTB's
7 extensive accounting irregularities, refusal to disclose information about FTB's standard operating
8 policies and procedures, nor the statutes upon which said policies and procedures are based, and
9 refusal to clarify conflicting information about FTB's policies and procedures that different
10 departments within FTB have provided.
11

12 Ms. Barsegyan and FTB have repeatedly stated that they've turned over all documents for
13 tax years 2011, 2013 and 2014, despite the fact that in March 2021, I proved that FTB withheld
14 three pieces of pertinent evidence (exhibit 52, pages 8, 11, 16, 18, 35). On some topics, FTB has
15 provided conflicting information. On other topics, FTB has provided misleading, deceptive and
16 false information. And there are topics on which FTB has refused to disclose any information at all
17 regarding standard operating practices and procedures (Declaration of Christine Grab in Support of
18 Motion to Compel Further Information to Specially Prepared Interrogatories, set #001, all pages). I
19 have also documented numerous accounting irregularities, some so egregious that I believe that they
20 qualify as fraudulent (exhibits 49 and 52, all pages).
21

22 It is worth noting that in Plaintiff's Motion to Compel Further Information to Specially
23 Prepared Interrogatories, set #001, I only included evidence that pertains to this case. I have also
24 collected evidence which indicates FTB has additional unlawful standard operating practices that
25 are beyond the scope of this case. The attached exhibit 61 is a document explaining the eight
26 unlawful schemes that I have uncovered. This document was included in both of the Federal
27 Criminal Complaints (FCC) that I filed against FTB staff/Anna Barsegyan as exhibit 1, so the
28

1 exhibit numbers correlate with the FCCs, not this SDSC case. Exhibit 66, pages 70 – 71, contains a
2 conversion table. Not every document listed in exhibit 61 has been submitted to SDSC, as many
3 items are beyond the scope of this case. I will be happy to provide any of the additional documents
4 upon request.

5
6 As I explain in exhibit 61, I believe that the reason FTB’s schemes work is because multiple
7 departments conspire together to each provide “slow service” and/or make “mistakes” that combine
8 together to ultimately lead to the false imposition of penalties. For example, FTB will “misapply” a
9 payment, causing a Notice of Proposed Assessment (NPA) to be falsely issued, then “misclassify”
10 the Protest which disputes the penalties that resulted solely from FTB’s “mistake” (exhibit 52, page
11 9).

12
13 Once I believed that I had enough evidence to prove that these are not “mistakes” but *bona*
14 *fide* criminal schemes to overcharge taxpayers, I started pursuing legal recourse as is required by 18
15 USC §4, Misprision of Felony:

16 “Whoever, having knowledge of the actual commission of a felony cognizable by a
17 court of the United States, conceals and does not as soon as possible make known the
18 same to some judge or other person in civil or military authority under the United
19 States, shall be fined under this title or imprisoned not more than three years, or
20 both.”

21
22 In January 2021, I sent a letter exposing FTB’s four schemes to overcharge interest to FTB’s
23 Board of Directors, FTB’s Taxpayer Advocate, FTB’s Executive Officers, Governor Newsom,
24 GovOps, every member of the Senate Finance and Governance Committee, every member of the
25 Assembly Tax and Revenue Committee, CA State Senator and Speaker Pro-Tempore Toni Atkins,
26 and Assemblyman Brian Maienschein (exhibit 49, pages exhibit 34 - 53). I am certain that FTB was
27 angry with me for exposing these crimes.
28

1 By July, it was clear that the legislators and oversight agencies had no political desire to
2 intervene to stop the crimes. I realized that I needed to pursue other avenues of recourse. On 07-22-
3 2021, 07-23-2021 and 07-27-2021, I made California Public Records Requests from the Franchise
4 Tax Board in which I requested the names, job titles, employee numbers and copies of the Oaths of
5 Allegiance for several FTB employees (exhibit 62). In the 07-22-2021 letter, I wrote "I am writing
6 to request information on these two employees so that I can file formal criminal charges against
7 them" (exhibit 62, page 4 - 5).

9 On 07-23-2021, I emailed Ms. Barsgeyan and requested her employee number and a copy of
10 her Oath of Allegiance. Ms. Barsegyan responded with the following false statement:
11 "Unfortunately, that is personal information and cannot be provided." On 07-27-2021, I made a
12 California Public Requests Act to the CA Department of Justice for a copy of Ms. Barsegyan's oath.
13 In that request, I complained to the CA Department of Justice about her false statement (exhibit 63).

15 On Sunday, 08-29-2021, I filed a police report with the San Diego Police Department
16 (SDPD) against FTB employee Carrey Burton-Beilby and another FTB employee for directing me
17 to send in more money than the bill stated was due, then falsifying FTB's internal accounting
18 records to make it appear that had been the correct amount of money due (exhibit 64). The day after
19 I filed the police report, on Monday, 08-30-2021, Anna Barsegyan made a reservation with this
20 court for a Motion for Sanctions hearing. Two days later, on 09-01-2021, Anna Barsegyan filed the
21 Motion for Sanctions with this court and served me *after* the Motion was filed in violation of Code
22 Civ. Proc., §128.7 (c). As Your Honor will recall, Ms. Barsegyan violated California Rules of the
23 Court, Rule 1.201 by failing to redact my husband's or my social security numbers from the moving
24 papers.
25

26 On page 4 of her Memorandum, Ms. Barsegyan boldly stated the purpose of the Motion for
27 Sanctions "...she has made...allegations of collusion and government corruption and racketeering
28 against FTB... Plaintiff's... conduct... is unlikely to end without court intervention... this Court

1 should grant FTB's Motion for Sanctions... to deter and preclude Plaintiff from continuing in
2 her... behavior" (pages 8 - 9).

3 On 11-18-2021, I filed a Federal Criminal Complaint (FCC) via Common Law with the
4 Federal Treasury Inspector General for Tax Administration (TIGTA), the Federal Bureau of
5 Investigation (FBI), and the Federal Department of Justice (DOJ) against FTB employees Alexis
6 Bear and Carrey-Burton Beilby for directing me to send in more money than the bill stated was due,
7 then falsifying FTB's internal accounting records to make it appear that had been the correct
8 amount of money due. I included Deputy Attorney General Anna Barsegyan in the FCC, as well, for
9 retaliation, harassment, obstruction of justice and other charges (exhibit 65).

11 On 03-07-2022, I filed a second FCC (also via Common Law) with TIGTA, the FBI, the
12 Federal DOJ, the Sacramento Grand Jury and the California Auditor's Office against FTB
13 employees Keith Swank and Chelsea Hubbard for perjury and obstruction of justice committed in
14 this pending case. I included Deputy Attorney General Anna Barsegyan in the second FCC, as well
15 (exhibit 66).

17 In her Motion for Sanctions dated 09-01-2021, Anna Barsegyan stated on page 9 that I
18 should be sanctioned for "submitting multiple Public Record Act (PRA) requests for copies of oaths
19 taken by FTB personnel and their employee numbers." As Your Honor can see, one of the charges
20 made in both of the FCCs was "treason of oath of office." Employee numbers were utilized in the
21 FCCs (exhibit 65, pages 6, 8, 13 and exhibit 66, pages 24, 35, 65).

23 Per the California Public Requests Act, Government Code 6250 et seq., I have the right
24 under California law to contact FTB's Disclosure Department to request public information for any
25 reason. I believe that Anna Barsegyan specifically requesting that Your Honor sanction me for, and
26 preclude me from, exercising my right to collect evidence in accordance with California law is a
27 violation of 18 USC §241, which states:
28

1 “If two or more persons conspire to injure, oppress, threaten, or intimidate any
2 person in any State, Territory, Commonwealth, Possession, or District in the free
3 exercise or enjoyment of any right or privilege secured to him by the Constitution or
4 laws of the United States, or because of his having so exercised the same... They
5 shall be fined under this title or imprisoned not more than ten years, or both....”
6

7 I further believe it qualifies as obstruction of justice.

8 I believe that, given the timing of the filing of Motion for Sanctions dated 09-01-2021 and
9 the fact she specifically requested that Your Honor order me to stop gathering evidence and to
10 silence me from making allegations of unlawful activities, there can be no doubt that Anna
11 Barsegyan asked Your Honor to intervene in matters outside the scope of this civil case. I believe
12 this constitutes an abuse of the Superior Court justice system, obstruction of justice, retaliation for
13 filing the SDPD police report, and harassment. I believe that Ms. Barsegyan should be disbarred for
14 this abuse of the legal system to try to stop me from fulfilling my lawful duties to report felony
15 violations to a qualified magistrate as required under 18 USC §4.
16

17 Per the California Taxpayer Bill of Rights, R&TC 21004 and R&TC Section 21006(b)(2), I
18 have the right to keep FTB’s Taxpayer Advocate and FTB’s Board of Directors apprised of the
19 evidence that came out in this case that I believe is important for oversight officers to know. As I
20 document below in the section titled *IV.A: Thi Luong*, I believe that a secondary purpose of the
21 Motion for Sanctions was to retaliate against me for informing FTB’s Taxpayer Advocate, FTB’s
22 Board of Directors, legislators, and other people with the power of oversight of the evidence that
23 has come forth in this pending lawsuit.
24

25 As already stated, I have already filed two Federal Criminal Complaint against four FTB
26 employees for engaging in unlawful activities, and it is my intent to file Complaints against
27 additional FTB and Office of Tax Appeal employees for participating in and/or covering up the
28

1 assorted unlawful activities that have been perpetrated against me and my husband. Some of the
2 evidence that I submitted in the FCCs already filed and/or that I intend to submit in future FCCs
3 came to light or occurred via this pending SDSC case. However, this pending civil case has no
4 direct connection to the Federal Criminal Complaints as these issues are beyond the scope of this
5 civil case.
6

7
8 **III. Arguments for Issue #2: Memorandum of Points and Authorities is Misleading; FTB**
9 **Requested Sanctions Against Me for Making True and Factual Statements**

10 Ms. Barsgeyan opened her Memorandum of Points and Authorities by claiming that I have
11 improperly filed pleadings and motions unsupported by existing laws and facts, and stated that the criminal
12 allegations that I have set forth are unfounded (page 6). I believe this statement is unconscionable since I
13 have provided more than a dozen legal codes to substantiate my positions and have submitted thousands of
14 pages of evidence to support these legal positions.

15 FTB has not denied that the laws I have cited nor that the evidence that I have submitted is accurate.
16 Failure to deny constitutes admission: Any material allegation in the complaint that is not effectively denied
17 is deemed admitted. [CCP § 431.20(a); see Hennefer v. Butcher (1986) 182 CA3d 492, 504, 227 CR 318,
18 325]. Since FTB has not disputed any of my claims, legal references or evidence, FTB has tacitly
19 acknowledged that everything that I have submitted to the court is the truth. I find it unconscionable that
20 instead of acknowledging and refuting my arguments, FTB is pretending that the legal codes and evidence
21 have not been submitted.
22

23 As I have already pointed out in the two Motion to Compel hearings on 05-28-2021 and 10-22-2021,
24 FTB's entire defense argument is built on lies and deception. In her Memorandum of Points and Authorities
25 the Motion for Sanctions dated 09-01-2021, Deputy Attorney-General Anna Barsegyan doubled-down on the
26 false, deceptive and misleading statements. As with her arguments in the previous hearings, she repeatedly
27 knowingly misrepresented the grounds of this case, repeatedly knowingly misrepresented the contents of the
28 laws cited, and repeatedly knowingly misrepresented FTB policies and procedures.

1 Below is a sampling of the various ways that she tried to deceive Your Honor. I believe each
2 and every one of these statements violates Criminal Code at 18 USC 1001:

3 Section 1001(a) provides that it is a federal crime, in a matter within the jurisdiction
4 of a government agency, to (1) falsify, conceal or cover up a material fact, (2) make
5 any materially false, fictitious or fraudulent statement, or (3) make or use a document
6 containing a materially false statement.
7

8
9 **1. False Statement** – On page 6 of the Memorandum, Ms. Barsegyan wrote: “Plaintiff further
10 alleges that the *demand notices* were improperly issued *since they had made estimated tax*
11 *payments.*” (emphasis added to show the false portion of the statement).
12

13 Ms. Barsegyan has knowingly misrepresented the grounds of the Complaint. My argument
14 is that the *Notice of Proposed Assessments* were improperly issued *in violation of Revenue and Tax*
15 *Code 19087 since we had paid our tax liability in full.* The Demand Penalties would not have been
16 imposed had the NPA not been falsely issued. It is worth noting that over the last two years that this
17 case has been pending, FTB has never denied that my allegation that the NPAs were improperly
18 issued is true; instead, they keep making false and misleading statements such as this one to evade
19 the issue.
20

21
22 **2. Deceptive Statement** -- On page 10, Ms. Barsegyan glossed over the portion of R&TC 19133
23 which says “pursuant to section 19087.”

24 She refused to address my argument that FTB could not have imposed penalties per section
25 19087 had FTB timely applied our estimated tax payments to our account. As I argued in the
26 Declaration of Christine Grab in Support of Motion to Compel Further Response to Special
27 Interrogatories #001 on pages 10 - 16, FTB did not apply my and my husband’s estimated tax
28 payments to our account when we made the payments; FTB waited months and sometimes years to

1 apply the monies. This left our account underfunded. FTB aggressively harassed us for monies that
2 would not be owed once the monies previously received by FTB were applied to our account. At no
3 time in this case has FTB denied the allegations, nor has FTB disputed any of the evidence
4 submitted to substantiate these allegations.

5
6 I believe that not timely applying payments is the federal crime of embezzlement per federal
7 code 18 U.S. Code § 654. Officer or employee of United States converting property of another,
8 which says:

9 “Whoever, being an officer or employee of the United States or of any department or
10 agency thereof, embezzles or wrongfully converts to his own use the money or
11 property of another which comes into his possession or under his control in the
12 execution of such office or employment, or under color or claim of authority as such
13 officer or employee, shall be fined under this title or not more than the value of the
14 money and property thus embezzled or converted, whichever is greater, or
15 imprisoned not more than ten years, or both; but if the sum embezzled is \$1,000 or
16 less, he shall be fined under this title or imprisoned not more than one year, or both.”

17
18 Because our account falsely appeared to be underfunded, FTB issued NPAs, the precursor to
19 the demand penalties, which would not have been issued had the payments been timely applied in
20 accordance with R&TC 19087. I believe that making an account falsely appear to be underfunded in
21 order to falsely issue NPAs and then falsely impose penalties that would not have been imposed had
22 the NPA not been falsely issued qualifies as racketeering, which is defined as a pattern of illegal
23 activity carried out as part of an enterprise that is owned or controlled by those who are engaged in
24 the illegal activity. The definition derives from the federal Racketeer Influenced and Corruption
25 Organizations Act (RICO), (18 U.S.C.A. § 1961 et seq. [1970]).

26
27 My understanding is that an otherwise legal organizations that derive some portion of their
28 income through illicit activities may be subject to the RICO laws. The U.S. Supreme Court, in

1 Sedima S.P.R.L. v. Imrex Co., 473 U.S. 479, 105 S. Ct. 3275, 87 L. Ed. 2d 346 (1985), upheld the
2 constitutionality of the RICO Act and made clear that, unless amended by Congress, the RICO
3 statutes must be interpreted broadly.

4 Defendants have not attempted to argue why my interpretations of the laws cited are
5 incorrect. Instead, they deny I have cited these laws. In this pending litigation, FTB has yet to
6 acknowledge the practice of withholding estimated tax payments from the taxpayers account is
7 standard operating procedure, let alone provided a legal code to justify this practice. FTB has yet to
8 provide an explanation for why the imposition of fees that result from these withheld payments does
9 not violate R&TC 19087.

10
11 If Deputy Attorney General Barsegyan had any valid arguments to dispute these claims, she
12 would have made them by now. Instead, she has repeatedly denied that I cited any laws; each and
13 every one of her denials is a false statement.

14
15
16 **3. Deceptive statement** -- On page 10 of the Memorandum, Ms. Barsegyan stated that “the demand
17 penalty is computed *without* regard to payments and withholding credits.”

18 As I detailed in the in the Declaration of Christine Grab in Support of Motion to Compel
19 Further Information to Special Interrogatories, set #001 (see pages 39 - 42, along with exhibit 48,
20 pages 6 and 19), per R&TC 19087, whether a Demand Penalty will be imposed is calculated based
21 on whether or not the tax liability was paid in full (per FTB’s assessment). Once it is determined
22 that the tax liability was underpaid, the amount of the penalty is calculated as Ms. Barsegyan stated.
23 Ms. Barsegyan knowingly and deliberately conflated two separate issues as if they were one in the
24 same: 1. the computation for whether a Demand Penalty should be imposed and 2. How much
25 money the Demand penalty will be *if* imposed.
26

27 Anna Barsegyan has requested that I be sanctioned for pointing out that she and Mr. Swank
28 have both repeatedly made this deceptive statement in documents submitted to this court, yet she

1 has offered no evidence or argument to indicate that my interpretations of the law are incorrect. If
2 what I said wasn't true, she would have offered an explanation to justify her interpretations of the
3 laws/regulations. I believe that it is unethical and malfeasant that Ms. Barsegyan has requested that I
4 be sanctioned for pointing out to Your Honor that she and her client both attempted to deceive you.
5

6 It is also worth noting that one of the accounting irregularities detailed in exhibit 49, on page
7 15, is that for tax year 2014, FTB imposed two Demand Penalties, one which matched the criteria
8 stated above, plus a second Demand Penalty for \$7.05. Ms. Barsegyan has never addressed whether
9 it was lawful for FTB to impose the second Demand Penalty (exhibit 48, page 19 is FTB's internal
10 standard operating manual for imposition of Demand Penalties which indicates there is only to be
11 one Demand Penalty per year).
12

13
14 **4. Deceptive statement** -- On page 11, Ms. Barsegyan stated "Plaintiff is under the impression that
15 any payments or withholding credits made reducing the tax liability will prevent demand penalties
16 from being issued under California law. She is mistaken."

17 R&TC 19087 clearly states that the terms for issuing a NPA are that 1. The tax liability had
18 *not been paid in full* and 2. No demand notice had been issued in the previous four years. Ms.
19 Barsegyan deliberately blurred the line between "reduce liability" and "paid in full." Ms. Barsegyan
20 and Mr. Swank have made this deceptive statement numerous times in documents filed with this
21 court. I believe it is unethical and malfeasant that Ms. Barsegyan has requested that I be sanctioned
22 for pointing out that she and her client attempted to deceive Your Honor.
23

24
25 **5. False Statement** -- On page 11, Ms. Barsegyan stated "She further cannot point to any legal
26 authority to support her legal interpretation of section 19133."
27

28 It is unconscionable that Ms. Barsegyan would pretend as if I had not argued that the
imposition of the Demand Penalties violated the portion of 19133 that states "pursuant to section

1 19087.” I found it interesting that Ms. Barsegyan omitted R&TC 19087 from her Table of
2 Authorities.

3
4 **6. Deceptive and False Statement** -- On page 11, Ms. Barsegyan wrote “Plaintiff has been
5 informed numerous times that there is no reasonable cause exception for the collection recovery
6 fee.”
7

8 Firstly, Ms. Barsegyan is aware that I am not disputing the imposition of the Collection Cost
9 Recovery Fee based on “reasonable cause.” I am disputing the fee because the tax liability had
10 already been paid in full, thus the fee was imposed in violation of R&TC 19254(a)(1), which states
11 that a Collection Cost Recovery Fee can only be imposed if a person fails to pay an amount of tax,
12 interest, penalty, or other liability due. The deceptive portion of the statement is the
13 misrepresentation of the grounds of my argument.
14

15 The false portion of the statement is “Plaintiff has been informed numerous times that there
16 is no reasonable cause exception...” I had never heard this argument from FTB prior to Mr.
17 Swank’s Response to Plaintiff’s Specially Prepared Interrogatories #001, which were served on me
18 on 05-03-2021. Up until that point, FTB had confirmed that the payment had been received but not
19 applied to our account in accordance with their standard operating procedure of withholding
20 estimated tax payments made via credit elect and estimated tax payments made by married couples.
21 FTB maintained that the imposition of the fee was proper in accordance with their policies and
22 procedures (see exhibit 4, page 11, footnote 21).
23

24 Ms. Barsegyan herself has changed her defense arguments regarding the Collection Cost
25 Recovery Fee three times. In her Opposition to Plaintiff’s Motion to Compel Further Documents, at
26 the bottom of page 11, she stated that the Cost Recovery Fee was properly imposed because my
27 husband and I had failed to make the payment in response to the Notice that was sent. This was a
28 false statement, as I had already documented -- and FTB employee Chelsea Hubbard had already

1 confirmed -- that the payment had been made in full. In the very next sentence of her Opposition,
2 Ms. Barsegyan acknowledged that we had made the payment and stated that the fact that the
3 payment had not been applied to our account had no bearing on this case!

4 I believe that the accounting irregularities surrounding this fee -- in which the estimated tax
5 payment that we made which paid the liability in full inexplicably “vanished” for nine months -- is
6 evidence that the withholding of estimated tax payments in order to falsely impose penalties and
7 fees is a *bona fide* embezzlement and racketeering scheme.

9 I believe that the fact that four different people -- three FTB employees under penalty of
10 perjury and Ms. Barsegyan herself -- all made different and mutually exclusive statements regarding
11 this payment to be *prima fascia* evidence that FTB is aware that this practice is unlawful, and that
12 Ms. Barsegyan and the three FTB staff are conspiring to cover up FTB’s unlawful activities
13 (Declaration of Christine Grab in Support of Motion to Compel Further information to Specially
14 Prepared Interrogatories, set #001 pages 13 - 14).

16
17 **7. False Statement** – On page 10, Ms. Barsegyan wrote: “Ample legal authority supports the FTB’s
18 position and the OTA’s Decision that the FTB properly imposed demand penalties for 2011, 2013
19 and 2014 tax years, and a collection cost recovery fee for the 2011 tax year.”

20
21 If such legal authorities existed, FTB would have produced them by now rather than
22 choosing a defense strategy based solely on lies and deception. Likewise, if such authorities existed,
23 the Office of Tax Appeals (OTA) judges would have cited them in their Opinion (exhibit 1).
24 Instead, the OTA judges evaded my arguments and deceptively convoluted or concealed the true
25 grounds of the case by deploying colorful semantics in much the same manner that Ms. Barsegyan
26 has in this case.

27
28 As is detailed in pages 3 – 4 of my SDSC Complaint dated 01-29-2020, in the OTA case, I
argued that the Demand Penalties would not have been imposed had the payments not been secretly

1 withheld; FTB never denied this allegation to be true. Per CCP § 431.20(a), failure to deny
2 constitutes admission. The OTA judges stated that the Demand Penalties were properly imposed
3 based on the issuance of a Demand Notice. The OTA judges failed to address the heart of my
4 argument, which was whether the Notice of Proposed Assessment, which is the precursor to the
5 Demand Notice, was properly issued.
6

7 On pages 8 – 9 of my SDSC Complaint, I addressed the OTA’s Opinion regarding the
8 Collection Cost Recovery Fee. The OTA judges wrote: “...the record does not show they timely
9 paid the liabilities (ie tax, penalties and interest) in response to that notice. Accordingly, FTB
10 properly imposed the fee and there is no basis for abating this.” I had provided proof to OTA that
11 we had made the payment prior to the due date, but that the account falsely appeared to be unpaid
12 because FTB did not apply the payment to our account. FTB did not deny this claim; in fact, FTB
13 confirmed this fact to be true in their Respondent’s Opening Brief (ROB)(exhibit 4 page 5, footnote
14 11 and page 11, footnote 21). I believe it is unconscionable that the OTA judges refused to address
15 the issue of whether it was lawful for FTB to not apply the payment to our account upon receipt of
16 the funds.
17

18 Furthermore, in the OTA case, Issue #1 set forth in the arguments was that FTB’s own
19 accounting irregularities gave us reasonable cause for filing our returns late. As I detailed on pages
20 6 – 7 of the SDSC Complaint and is documented in exhibit 1, instead of addressing this issue of
21 “reasonable cause,” the OTA judges removed “reasonable cause” from the Issues in the case
22 altogether.
23

24 I believe that by entirely refusing to address FTB’s questionable business practices, the three
25 OTA judges have all committed Conspiracy to Cover Up Embezzlement and Racketeering. It is my
26 duty per 18 USC §4, Misprision of Felony, to file a Federal Criminal Complaint against all three of
27 them in 2022.
28