

Christine Grab

July 21, 2023

Office of Inspector General/MAILSTOP 0305  
Department of Homeland Security  
245 Murray Lane SW  
Washington, DC 20528-0305

Dear Regulators:

On July 6, 2023, I mailed you a copy of an unexecuted Oath of Office for Jozel L. Brunett, the Chief, Legal Counsel for the California Franchise Tax Board (FTB). Not having an executed Oath is a violation of Government Code sections 1360, 1362-1369 and Section 3 of Article XX of the Constitution of California, which states that every State of California employee must sign STD 689, Oath of Allegiance before beginning the duties of their employment. For your convenience, another copy is enclosed. Since Ms. Brunett was working unlawfully without an Oath, I believe that she is considered to be a foreign agent posing as a government agent and is subject to prosecution under Title 18 U.S.C.A. § 912.

I have received confirmation from the California Department of General Services (DGS) that they have no records of a bond/insurance policy being issued to Ms. Brunett by the State of California. A bond or insurance policy is required to be issued on all employees of the State of California per California Government Codes 1450 – 146, and these bonds/insurance policies are issued by the DGS's Office of Risk Insurance Management (ORIM). Since no bonds/insurance policies have been issued on Ms. Brunett, it appears the lack of Oath wasn't merely a clerical error – it appears to be intentional fraud to unlawfully pose as a government agent.

I have discovered two more FTB employees who also do not have fully executed Oaths nor bond/insurance. One is Shane Hofeling, who is Ms. Brunett's Deputy Chief Counsel of Technical Resources Bureau. Mr. Hofeling represents FTB on matters involving FTB's Board of Directors. The other person without an executed Oath is Jennifer Fowler, whose title is Chief; Accounts Receivable Management Division. In plain language, Ms. Fowler oversees FTB's Collections department.

As I documented in my San Diego Superior Court case, *Christine N. Grab vs. The California Franchise Tax Board*, FTB is running eight unlawful schemes to overcharge taxpayers: four schemes to overcharge interest, three embezzlement/racketeering schemes, and one purely racketeering scheme. *Prima fascia* evidence that was propounded in my case indicates FTB is likely running more schemes to overcharge taxpayers, as well.

If you are interested in seeing the proof of the allegations that I make in this letter, you can download the evidence from the San Diego Superior Court's website at: <https://roa.sdcourt.ca.gov>. The case year is 2020 and the case number is 00005100. Items #39, #84 and #86 on the court website each contain detailed information, including FTB's own records where I highlighted the accounting fraud, showed how FTB "cooked the books," and documented when the employees committed perjury and improperly redacted documents to hide evidence.

The court case is concluded now. FTB never denied any of the allegations of accounting fraud, perjury or improperly redacting/omitting documents. Per CCP § 431.20(a), failure to deny constitutes admission: Any material allegation in the complaint that is not effectively denied is deemed admitted. [see *Hennefer v. Butcher* (1986) 182 CA3d 492, 504, 227 CR 318, 325]. As such, these documents are now legally deemed to be accurate. You can confirm for yourself that FTB never denied these allegations of accounting fraud by downloading all of the documents FTB filed.

In the three embezzlement/racketeering schemes, FTB puts estimated tax payments into suspense – which is another word for the general slush fund – for several months (and sometimes even several years) before moving the funds to the taxpayer's account. I believe that placing these monies into a general fund when it had been designated to be immediately applied to a taxpayer's account qualifies as embezzlement per federal code 18 U.S. Code § 654. Officer or employee of United States converting property of another, which says:

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

Since the withheld monies have not been applied to the taxpayer's account, it falsely appears that the taxpayer has a balance due. FTB then moves the taxpayer to the Collections department – headed up by Jennifer Fowler – where the taxpayer is aggressively harassed to pay monies towards that person's tax liability that are not actually owed because the funds had already been remitted. On pages 19 – 35 of the *Plaintiff's Statements of Undisputed Facts and Supporting Evidence in Opposition to Motion for Summary Judgment* (item #86 on the court website), I detailed how FTB aggressively harassed me for four years for monies that FTB knew – *by its own records* -- was never owed. In an effort to get the harassment to stop, I remitted several extra payments to FTB. Most of the "extra" funds that we had paid were not timely applied to my and my husband's accounts, which meant that FTB continued to insist that we had underpaid our tax liabilities and demanded that we send them even more money.

*FTB went so far as to file two wage garnishments against my husband for money FTB knew was not owed.* The harassment did not stop until I contacted my State Senator,



Assemblyman and then-Governor Brown to intercede on my behalf. **At that point in time, my husband and I had remitted [REDACTED] more than FTB claimed that we owed, yet FTB was threatening to file a third wage garnishment unless we immediately sent them an additional [REDACTED]**

I believe that FTB is unlawfully enriching itself through these temporary embezzlement schemes by demanding excess funds be paid by the taxpayer. While all of the withheld funds are eventually applied to the taxpayers account, FTB enjoys the use of the excess funds in the interim.

Furthermore, late fees, penalties and interest are imposed by Ms. Fowler's department for "paying late" when the funds had been remitted by the due dates. I believe that imposing penalties and fees that would not have been imposed had the payments been immediately applied qualifies as racketeering, which is defined as a pattern of illegal activity carried out as part of an enterprise that is owned or controlled by those who are engaged in the illegal activity. The definition derives from the federal Racketeer Influenced and Corruption Organizations Act (RICO), (18 U.S.C.A. §1961 et seq. [1970]).

My research leads me to conclude that an otherwise legal organization that derives some portion of its income through illicit activities may be in violation of the RICO laws. The U.S. Supreme Court, in *Sedima S.P.R.L. v. Imrex Co.*, 473 U.S. 479, (1985), upheld the constitutionality of the RICO Act and made clear that, unless amended by Congress, the RICO statutes must be interpreted broadly. My understanding is that, for a civil case, I only have to show that via a Preponderance of Evidence that it is more likely than not that people are sustaining injuries from an ongoing criminal enterprise.

As I documented in the *Grab vs. FTB* court documents previously referenced, in addition to falsely imposing interest, Ms. Fowler's department has four schemes to overcharges even more interest: 1. By not crediting all the payments the taxpayer made for the purposes of calculating interest; 2. By only crediting part of other payments for the purpose of calculating interest; 3: by adding an additional \$1 per year to the collection bills on top of what already was an overinflated total. I want to reiterate that FTB has never denied any of these allegations to be true.

Jennifer Fowler's crimes go beyond merely "clerical." As was also documented in *Grab vs. FTB*, in the fourth scheme, Ms. Fowler directs her staff to order taxpayers to remit more money than the bill states is due, then has the staff falsify FTB's internal records to make it appear that was always the correct amount of money due. Again, FTB has never denied these allegations to be true.

I do not believe it was a "mistake" that someone who is knowingly committing such heinous crimes against the very people who pay her salary never took an Oath to uphold federal and state laws. I do not believe it was a "mistake" that the Franchise Tax Board failed to procure an insurance policy on her through ORIM as is required under California Government Codes 1450 – 146.



FTB attempts to cover up said unlawful schemes through deception, such as cherry-picking certain words within statutes out of context to try to make these accounting practices falsely appear to be lawful, and via outright fraud, by claiming the laws say something different than they do. Jozel Brunett and Shane Hoefling are two of the people who orchestrate the cover up of the criminal activities via distortion/misinterpretation of statutes.

If these unorthodox accounting practices were lawful, FTB would have explained so in *Grab vs. FTB*. Instead, FTB went to great lengths to hide their egregious accounting irregularities from the judge. FTB improperly redacted and omitted pertinent court documents, refused to disclose pertinent information regarding accounting policies and procedures, and committed multiple counts of perjury. FTB also tried to silence me from exposing the accounting fraud through retaliation and harassment, including posting my husband's and my social security numbers online with the veiled threat that FTB will do worse to me if I didn't shut up.

I do not believe that it is a coincidence that both the #1 and #2 lawyers at FTB – Ms. Brunett and Mr. Hoefling -- do not have executed Oaths. The people who most fully comprehend the importance of an executed Oath are lawyers. As I documented in the above referenced court documents, FTB has a proven track record of harassing people via exposure of social security numbers, improperly redacting and omitting pertinent documents to hide evidence in court cases, and also setting people up as patsies. Given that these are consistent behaviors patterns amongst FTB staff, I believe that FTB's executives – most likely Ms. Brunett and/or Mr. Hofeling -- are the people who order underlings to execute the cover-ups, retaliation and suborning perjury. Given that Ms. Brunett and Mr. Hofeling have never sworn to uphold the laws of the federal and state constitutions, it is not surprising that they would cover up policies, procedures, and communications that violate said laws, as well as order underlings to commit crimes. I do not believe it was a "mistake" that the Franchise Tax Board failed to procure an insurance policy on through ORIM on their top lawyers as is required under California Government Codes 1450 – 146.

I believe Ms. Brunett, Mr. Hoefling and Ms. Fowler should all be immediately imprisoned and tried for falsely posing as government agents in order to execute and/or cover up unlawful schemes to overcharge taxpayers via accounting fraud. I believe that The California Franchise Tax Board should also be subject to prosecution for employing multiple foreign agents to execute these schemes. One failure to procure an executed oath/ORIM policy could be a mistake. When it happens three times with three people who are all guilty of violating the terms of the Oath and insurance policy, it is likely intentional evasion of the laws.

If you have any questions or would like further information, such as hearing transcripts, my contact information is above.

Regards,



Christine Grab